

# Tennessee Consolidated Retirement System



## Employer Manual

*Effective January 1, 2008*

Internet Site: [www.treasury.state.tn.us/tcrs/](http://www.treasury.state.tn.us/tcrs/)

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## 100 INTRODUCTION

This employer manual has been developed for the purpose of efficiently administering the Tennessee Consolidated Retirement System (TCRS) at the local level. Every effort has been made to include all the information and examples of forms necessary to provide a complete and self-contained reference manual. Because of the complexities of the law establishing the retirement system, all facets have not been covered in detail. However, the objective in compiling this manual is to furnish as much information as possible. The information contained in the manual should not be used in lieu of the applicable provisions of the *Tennessee Code Annotated*. In the event there is a conflict between this manual and the law, the law shall prevail.

## 200 MEMBERSHIP

- 201 Classification for Membership.** Since July 1, 1976, any employee enrolled in the TCRS shall be classified as a Group I member. State judges enrolled after September 1, 1990 are classified as Group IV members.
- 202 Prior Class, Group II or Group III Members Who Return to Service.** Any prior class, Group II or Group III member who left employment and returned to service in a position covered by his previous classification shall be eligible to continue membership in that classification provided he has not lost membership. To lose membership he must have withdrawn his contributions, or if not vested, be out of service long enough to lose membership because of absence from service (7 years).
- 203 Mandatory Membership.** Every employee of the state or of a participating political subdivision where membership is mandatory, or K-12 teacher must become a member of the retirement system, regardless of age, with the exception of Sections 204 and 205. It is the responsibility of the personnel/payroll officer to insure that their employees are enrolled properly and make the appropriate retirement contributions. The following is a list of officials and employees whose membership in the retirement system is mandatory:
- A. General employees of the State of Tennessee classified as full-time except full-time employees under age 25 with seasonal, temporary, interim or emergency appointments (see Exhibit IIIa),
  - B. Commissioned Members of the Highway Patrol,
  - C. Wildlife Officers,
  - D. Teachers, (See Section 206.)
  - E. Superintendents or the Chief Administrative Officers of a public school system,
  - F. Any full-time employee of a participating political subdivision regardless of position who is employed after the effective date of participation.
  - G. State criminal investigators hired after July 1, 1994, Attorney General and Assistant Attorney General hired after July 1, 1993.
- 204 Optional Membership.** Following is a list of employees and officials who have an option to become members of the TCRS. These employees shall not become members unless they elect to join the retirement system. These members may exercise their option to join at any time; however, they may not receive service credit for any prior period for which they elected to not participate unless otherwise noted. **Once the employee joins the TCRS, he does not have an option to cease membership unless employment is terminated.**
- A. District Attorney General, Assistant District Attorney General.
  - B. Any elected Official or Full-time Employee of the General Assembly who is licensed to practice law and renders assistance to the members of the General Assembly or committee.
  - C. Employees of political subdivisions who are employed on the date that the political subdivision begins participation in the TCRS.

D. Part-time Employees

1. Teachers - Interim teachers employed on a temporary basis to replace regular teachers on unpaid leave are considered part-time employees and have optional membership. Also, substitute teachers are not eligible for membership unless they are under contract and are scheduled to work on a regular basis, replacing teachers throughout a school year.
2. State Employees. (See eligibility chart, Exhibit IIIa) Membership is optional for part-time employees with the exception of students, seasonal, temporary or interim employees under age 25 who are not eligible for membership.
3. A regular part-time employee of an institution of higher education. (See eligibility chart, Exhibit IIIb)
4. Political Subdivision Employees. The chief governing body of a political subdivision that began participating prior to July 1, 1984 must pass a resolution authorizing such coverage for part-time employees. Part-time employees of political subdivisions that began covering their employees on or after July 1, 1984 are automatically eligible for membership, unless the chief governing body has passed the appropriate resolution excluding such coverage (See eligibility chart, Exhibit IIIc). Once a political subdivision has authorized coverage for their part-time employees, it cannot be revoked.

E. County Judges. The retirement law specifically defines county judges as a judge of a general sessions court, trial court, county chairman, county judge, probate judge, or judge of a juvenile and/or domestic relations court, and whose compensation is paid by the county, or a county attorney receiving regular compensation from the county. Attorneys paid on a contractual basis or a retainer fee through a law firm are not eligible for membership.

F. Elected County Officials. The retirement law specifically defines county officials as a county executive, county clerk, clerk of a circuit court, independent clerks of a general sessions court, register of deeds, county trustee, sheriff, county road superintendent, and assessor of property.

G. Members and Officials of the General Assembly. This group includes Senators and Representatives serving in the General Assembly.

H. Public Service Commissioners

I. State Paid Judges

J. Members of city, county, or special school district boards, commissions, committees, councils and the like, by whatever name known who are elected by popular vote and are employed by a political subdivision whose chief governing body has passed a resolution authorizing these members to participate.

K. Any retiree who returns to service after receiving monthly retirement benefits from the TCRS (See Section 600 for complete explanation of reemployment after retirement provisions).

L. City judges and attorneys whose compensation is paid through the city payroll system whereby Federal withholding and Social Security are deducted are eligible.

- 205 Ineligibles.** The following is a list of positions, employees, or officials who are not eligible for membership in the retirement system:
- A. Substitute teachers unless they are under contract and scheduled to work on a regular basis, replacing teachers throughout the school year.
  - B. Members of city, county, or special school district boards, commissions, committees, councils and the like, by whatever name known, who are elected by popular vote and the chief governing body **has not passed the appropriate resolutions authorizing membership in the TCRS.**
  - C. Anyone employed as an independent contractor or on a percentage basis. This includes County attorneys, city attorneys, and city judges who are paid on a contractual basis or a retainer fee through a law firm. An individual who performs services subject to the will and control of an employer is *not* an independent contractor.
  - D. General employees of any political subdivision not covered by the TCRS.
  - E. Employees covered by another publicly supported retirement system for the same period of time. Another retirement system does not include the social security program.
  - F. Jurors.
  - G. Volunteer Firefighter.
  - H. Any full-time temporary or part-time temporary employee of an institution of higher education.
  - I. State employees and political subdivision employees under age 25 who are emergency, interim, temporary or seasonal.
  - J. Part-time employees of a political subdivision where the governing body has not authorized the part-time optional provision.

**206 Membership Eligibility of Teachers.** Retirement law defines a “Teacher” as follows:

Effective July 1, 1986, “Teacher” shall mean any person employed in a public school as a teacher, librarian, principal, superintendent or chief administrative officer of a public school system, supervisors of teachers, or any other position whereby the state requires the employee to be certificated as a teacher, or licensed as a nurse or physical therapist in the public schools or of any educational institution supported in whole or in part by and under the control of the state. Teacher also includes any person employed in a public school as a reserve officer training corps (ROTC) instructor. It is further provided that any teacher who has taught in the public schools for a period of at least one year who transfers to a position within the public school system that does not require a teacher’s certificate shall be allowed to continue participation in the retirement plan as a teacher.

The first test which will be applied to the position will be the state requirement of a teaching certificate. The second test of eligibility is maintaining a teaching certificate if the teacher is transferred or promoted into a position that does not require a certificate. Eligibility to participate in the TCRS as a teacher will cease upon loss or revocation of the teaching certificate.

Each year the TCRS matches those employees classified as teachers on the Department of Education teacher certification file to the TCRS membership report of those employees who are reported as teachers. Those employees who are not certified teachers will not be able to be reported as such for retirement.

**207 Probationary Period.**

- A. There is currently no retirement enrollment delay due to probationary period for employees of the state, higher education, and teachers.
- B. Effective July 1, 1995, any political subdivision participating in the TCRS who has not established a probationary period shall be prohibited from establishing a probationary period.
- C. For those political subdivisions who have already authorized a probationary period, a new employee may not be enrolled in the TCRS until completion of such period not to exceed six months.
- D. The political subdivision should waive the probationary period for retired employees who are current members of the TCRS or who transfer from another participating employer.

**208 Employer-Employee Relationship.** There are cases where the question might arise as to who is the employer of certain employees. The basic guideline to use in making such a determination is who has the final authority to hire and fire the individual and who has the right to direct the person as to the manner in which the work is done. The source of the payment of salary for employment is not the controlling factor in determining the identity of the employer. **The TCRS should be contacted if there is any question regarding the eligibility of an employee.**

**209 Membership Statement.** Every October, the TCRS will forward to each reporting department a Membership Statement for each member. The statement represents the information on file for each TCRS member as of June 30th and should be distributed to each member.

- A. Delivery of Membership Statement. It is important that the employer make every effort to deliver the statement to the member as soon as possible upon receipt.
- B. Distribution of the Membership Statements. To facilitate the distribution process, the TCRS statements can be printed either alphabetically or in social security number order. In addition, the statements can be sorted by an 18 digit position number with alpha or social security number sort within the position number. If a reporting group elects to have the statement sorted by position number, the information must be transmitted by one of the following methods: e-mail (must be a text file), 3½" diskette, 35-90 cartridge, or 34-80 cartridge, respectively. This must be furnished to the TCRS by August 20 following the year end for which the statements are being printed. If no election is made, the statements will be printed alphabetically. For information regarding the format, please contact TCRS.
- C. Membership Statement Information. The statement serves many purposes. It acts as a medium to verify the information the retirement system maintains on file for each member. It informs the contributory member of the amount of accumulated contributions credited to his account through the last June 30th. In the case of a noncontributory member, the statement verifies the salaries reported. A prior service payment appears in the year in which the payment is made and is a portion of the accumulated balance in subsequent years. It serves to notify the member of his/her beneficiary designation. If the employee has designated a multiple beneficiary, the words "Multiple Beneficiaries" may appear in this space. In this case, the member should contact TCRS to update this information for statement purposes. Projections for service retirement, disability and death benefits are also calculated to assist the member with long range planning.

The information on the Membership Statement is very important to both the TCRS and the member. Each employee should review the statement for accuracy. Any errors with regard to service or



salary will require a certification from the employer. The beneficiary designation is very important and should be closely verified. If you are unable to locate a former employee, please retain the statement for your records.

**210 Termination of Coverage.** There are two provisions that allow a political subdivision to terminate TCRS coverage for its employees. The following is a brief description. For more information, please contact the TCRS.

- A. Voluntary Withdrawal. Upon giving at least one year's advance notice in writing to the Board of Trustees, a political subdivision may terminate, effective June 30 of the calendar year following the end of the notice period, its participation in the retirement system, under the following terms and conditions:
1. The political subdivision shall submit a resolution containing an election to withdraw from the retirement system legally adopted by two-thirds of the membership of the chief legislative body of the political subdivision.
  2. The withdrawal shall apply to all departments of the political subdivision.
  3. Such resolution to withdraw may be rescinded and withdrawn by two-thirds vote of the chief legislative body of the political subdivision at any time prior to the expiration of the one year notice period.

The practical effect of a voluntary withdrawal is closing membership to future hires. All active employees participating in the TCRS shall be eligible to continue membership of which the employer will remain liable.

- B. Termination Due to Financial Hardship. Any participating political subdivision that finds it is no longer in a position to continue paying the employer contributions because of a financial burden may withdraw from the retirement system. The chief legislative body is required to pass a hardship resolution that must be approved by the TCRS Board of Trustees.

Upon approval by the Board of Trustees, all benefits to any member retired from the political subdivision cease. Each member who has not reached the conditions of retirement shall be refunded his accumulated contributions. Any member who is eligible to retire shall receive his accumulated contributions plus a pro rata share of any assets standing to the employer's credit, and retired members shall receive back any contributions in excess of the benefits received plus a pro rata share of any assets of the employer.

## EXHIBIT I

**Membership Form.** Itemized below are the major areas of mistakes:

**Social Security Number.** This is the employee's account number. Be positive it is correct by copying the number directly from the employee's social security card. The number on the payroll should agree with the number on the social security card.

**Date of Birth.** Upon retirement, the date of birth on the application for retirement is compared with the date of birth on the membership form and if there is a difference, a copy of the birth certificate is required. (A common error is to include the correct month and date of birth but the current year.)



**Membership Date.** Enter the beginning date of the first pay period in which employee's deductions for retirement are to be made.

**Department Code Number.** This five digit number identifies the department and appears on the monthly report. This number begins with an 8 for political subdivisions, a 9 for teachers, and a 3 or 4 for state agencies.

**Retirement Type.** This three digit number identifies the employee classification and membership category on the monthly retirement report.

**Title of Position.** This space must be completed in detail because there are employees who cannot be covered by the retirement system due to their position.

**Employment Date.** Enter the beginning date of first employment. This will be the same as the membership date (Item 4) for all employees enrolled as a condition of employment unless the employer has elected to observe a probationary period of employment. For example, if an employing department has a three month probationary period, even though a member started working on May 1, the membership date would be August 1.

**Designation of a Beneficiary.** A person may designate one or more persons, their estate, or an institution as beneficiary. If additional spaces are needed, use a separate page and attach to the membership form. Include the new member's name and social security number on the attachment. The member should always read the beneficiary information on the form before a designation is made. If an employee fails to make a beneficiary election, the spouse (if applicable) is presumed to be named as beneficiary.

**Date of First Deduction.** This space must be completed by the member's payroll office. It reflects the first day that a member earns compensation after becoming eligible for membership following any probationary period.

**The membership form must be signed by the employee, signed by the employer and notarized.**

## EXHIBIT II

**Change of Beneficiary Form.** Any time a member wishes to change his beneficiary, a Change of Beneficiary Form must be used. All blanks must be completed and the form executed before a notary public. A beneficiary is not limited to members of the family. A member may designate anyone as a beneficiary although the membership booklet should be consulted since death benefits to someone other than a spouse may be limited and may be further limited if more than one person is named. A letter of confirmation will be sent to the member acknowledging the change in beneficiary information.

## EXHIBIT III

- a. Eligibility Chart for State Employees.
- b. Eligibility Chart for Higher Education Employees.
- c. Eligibility Chart for Part-Time Political Subdivision Employees.

## EXHIBIT IV

**Member Information Change Form.** In order to correct a member's account information, a Member's Information Change Form should be completed. This form can be used to correct a member's name, date of birth, social security number, address or gender. When correcting the year of birth, please attach a copy of the member's birth certificate.

## EXHIBIT I



# MEMBERSHIP FORM

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM  
10th Floor Andrew Jackson State Office Building  
Nashville, TN 37243-0230  
(615) 741-4868

Type or print legibly in BLACK ink. The payroll/personnel officer must complete the shaded areas. Not to be used as a Change of Beneficiary Form.

## Member Information

☐ New Member

☐ Transfer from Another TCRS Agency

Social Security Number		Birth Date	
Last Name		First Name	Sex
Address			
City		State	Zip
Home Telephone ( )		Work Telephone ( )	
Membership Date		Department Code	Retirement Type
Salary \$	/ Per Month	Employment (check one) <input type="checkbox"/> Full Time <input type="checkbox"/> Part Time	Employment Date
Status	<input type="checkbox"/> Regular <input type="checkbox"/> Seasonal <input type="checkbox"/> Temporary <input type="checkbox"/> Interim <input type="checkbox"/> Emergency _____ hours per day _____ days per week		
If teacher, total months worked per year <input type="checkbox"/> 10 <input type="checkbox"/> 12		Title of Position	
Date first deduction will be made		Payroll Officer	Telephone # ( )

**Previous Employment—Fill out this section if you have ever been a member of any state or local retirement system.**

Name of retirement system(s) other than TCRS:
Name(s) under which you were listed:
Have you ever been refunded your contributions with the TCRS?
Have you ever received benefits from TCRS?

## Beneficiary Designation

Last Name	First Name	Relationship	Sex	Birth Date	Social Security No.

Name of Institution or Estate	Taxpayer I.D.	Address

Signature of Member	Date

The laws governing TCRS provide that you may designate more than one person as your beneficiary. For TCRS purposes, the term "person" means any individual, firm, organization, partnership, association, corporation, estate, or trust. **ESTATES, MULTIPLE BENEFICIARIES, AND INSTITUTIONS ARE ELIGIBLE FOR LUMP-SUM DISTRIBUTIONS ONLY. IF YOU LIST TWO OR MORE PERSONS, YOU HAVE NAMED MULTIPLE BENEFICIARIES AND THEY MAY SHARE EQUALLY IN ANY LUMP-SUM PAYMENT. IF YOU HAVE NEVER MADE CONTRIBUTIONS TO TCRS, NO LUMP-SUM PAYMENT WILL BE MADE AND YOUR SPOUSE MAY BE THE ONLY PERSON ELIGIBLE FOR ANY TYPE DEATH BENEFIT.** Certain types of death benefits are payable only to a surviving spouse, provided such spouse is the only person named as beneficiary. If you name your spouse as beneficiary, he or she may be entitled to monthly benefits should you die in service. **(Secondary or contingent beneficiaries are not permitted.)** Contact the TCRS office if you have any questions. If available, I elect Option 1 for my beneficiary in the event of my death. I, the member, revoke any previous beneficiary nominations and direct that the above designation supersede any previously filed; provided, however, in the event I named my spouse and another person or persons as beneficiary herein and no death benefit is payable as a result thereof, I direct TCRS to revoke such designation and substitute my spouse instead as sole beneficiary.

STATE OF TENNESSEE—COUNTY OF \_\_\_\_\_.

\_\_\_\_\_ personally appeared before me on this the \_\_\_\_\_ day \_\_\_\_\_, 20\_\_\_\_,  
who makes oath that (he) (she) executed the foregoing instrument.

\_\_\_\_\_  
Notary Signature and Seal

My Commission Expires: \_\_\_\_\_

**After completing form, make two copies. Original—TCRS; Copy—Agency; Copy—Employee**



TENNESSEE CONSOLIDATED RETIREMENT SYSTEM  
10th Floor Andrew Jackson State Office Building, Nashville, TN 37243-0230

## ACTIVE MEMBER CHANGE OF BENEFICIARY FORM

### PART I: MEMBER INFORMATION

Social Security Number: \_\_\_\_\_

Birthdate: \_\_\_\_\_ Home Phone: (     ) \_\_\_\_\_ Work Phone: (     ) \_\_\_\_\_

Name: \_\_\_\_\_  
Last First Middle Maiden

Address: \_\_\_\_\_

City State Zip Code

TCRS will send confirmation of your change of beneficiary to the address you provide above.

The laws governing TCRS provide that you may designate more than one person as your beneficiary. For TCRS purposes, the term "person" means any individual, firm, organization, partnership, association, corporation, estate, or trust. **ESTATES, MULTIPLE BENEFICIARIES, AND INSTITUTIONS ARE ELIGIBLE FOR LUMP-SUM DISTRIBUTIONS ONLY. IF YOU LIST TWO OR MORE PERSONS, YOU HAVE NAMED MULTIPLE BENEFICIARIES AND THEY MAY SHARE EQUALLY IN ANY LUMP-SUM PAYMENT. IF YOU HAVE NEVER MADE CONTRIBUTIONS TO TCRS, NO LUMP-SUM PAYMENT WILL BE MADE AND YOUR SPOUSE MAY BE THE ONLY PERSON ELIGIBLE FOR ANY TYPE DEATH BENEFIT.** If you name your spouse as beneficiary, he or she may be entitled to monthly benefits should you die in service. **(Secondary or contingent beneficiaries are not permitted.)** If available, I elect Option 1 for my beneficiary in the event of my death. I, the member, revoke any previous beneficiary nominations and direct that the above designation supersede any previously filed; provided, however, in the event I named my spouse and another person or persons as beneficiary herein and no death benefit is payable as a result thereof, I direct TCRS to revoke such designation and substitute my spouse instead as sole beneficiary. Contact the TCRS office if you have any questions.

Member Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### PART II: BENEFICIARY INFORMATION (If additional space is needed please attach a schedule.)

#### INDIVIDUALS

Last Name	First Name	Middle Name	Relationship	Sex	Birthdate	S.S.#

#### INSTITUTIONS OR ESTATES

Name	Taxpayer ID	Address

• Please provide Social Security number or taxpayer ID, if available. If you name a trust, please attach a copy of the Trust Document.

State of \_\_\_\_\_ County of \_\_\_\_\_

\_\_\_\_\_ personally appeared before me on this the \_\_\_\_\_ day of \_\_\_\_\_,

20\_\_\_\_, who makes oath that (he) (she) executed the foregoing instrument.

(Notary Seal)

Notary Public  
My Commission Expires: \_\_\_\_\_

**State of Tennessee Employees and K-12 Teachers  
Retirement and Social Security Coverage  
Effective July 1, 2007**

**Full - Time****Part - Time**

- |                |   |   |
|----------------|---|---|
| (1) Regular    | I. All employees<br>1. Use a TCRS membership retirement type.   | I. All employees<br>1. Use a TCRS membership retirement type for those employees electing to join TCRS.<br>2. For employees electing not to join TCRS, code retirement type <b>008</b> .  |
| (2) Seasonal*  | I. Employees less than age 25<br>1. These employees must be coded retirement type <b>008</b> .<br>II. Employees over age 25<br>1. Use a TCRS membership retirement type.                                  | I. Employees less than age 25<br>1. These employees must be coded retirement type <b>008</b> .<br>II. Employees over age 25<br>1. Use a TCRS membership retirement type for those electing to join TCRS.<br>2. For employees electing not to join TCRS, code retirement type <b>008</b> . |
| (3) Temporary* | I. Employees less than age 25<br>1. These employees must be coded retirement type <b>008</b> .<br>II. Employees over age 25<br>1. Use a TCRS membership retirement type.                                  | I. Employees less than age 25<br>1. These employees must be coded retirement type <b>008</b> .<br>II. Employees over age 25<br>1. Use a TCRS membership retirement type for those electing to join TCRS.<br>2. For employees electing not to join TCRS, code retirement type <b>008</b> . |
| (4) Interim*   | <b><u>State Employees</u></b><br>I. Employees less than age 25<br>1. These employees must be coded retirement type <b>008</b> .<br>II. Employees over age 25<br>1. Use a TCRS membership retirement type. |   |

**K-12 Teachers**

- I. All employees  
     1. Use a TCRS membership retirement type.

**Retirement type 008: Not covered by TCRS but covered by full social security tax.**

**Retirement type 009: Not covered by TCRS and only covered by the medicare portion of the social security tax.**

**\*Do not complete a membership form for any individual coded retirement types 008 and 009.**

**State of Tennessee Employees and K-12 Teachers  
Retirement and Social Security Coverage  
Effective July 1, 2007**

	<u><b>Full - Time</b></u>	<u><b>Part - Time</b></u>
(5) Emergency*	I. Employees less than age 25 1. These employees must be coded retirement type <b>008</b> . II. Employees over age 25 1. Use a TCRS membership retirement type.	I. Employees less than age 25 1. These employees must be coded retirement type <b>008</b> . II. Employees over age 25 1. Use a TCRS membership retirement type for those electing to join TCRS. 2. For employees electing not to join TCRS, code retirement type <b>008</b> .
(6) Limited Term	I. State Judges, Attorney General, and members of the General Assembly 1. Use a TCRS membership retirement type for employees electing to join TCRS. 2. Use retirement type <b>008</b> for employees electing not to join TCRS. II. Governor 1. Use retirement type <b>008</b> . III. All Other Employees 1. Use a TCRS membership retirement type.	I. All employees 1. These employees must be coded retirement type <b>008</b> .
(7) Retiree Returning for Temp. Employment	All retirees returning to employment not to exceed 120 days in a given 12-month period should be coded <b>009</b> and should complete the "Temporary Employment Form" TR-0228.	

**\*When a full-time employee less than age 25 attains age 25, then the retirement type should be changed from 008 to a TCRS membership retirement type. When a part-time employee less than age 25 attains age 25, then the retirement type should be changed from 008 to either a TCRS membership retirement type or continue retirement type 008 depending on the employee's election to join or not join TCRS.**

**Retirement type 008: Not covered by TCRS but covered by full social security tax.**

**Retirement type 009: Not covered by TCRS and only covered by the medicare portion of the social security tax.**

**Do not complete a membership form for any individual coded retirement types 008 and 009.**

**EXHIBIT IIIb****HIGHER EDUCATION  
Personnel Classification**

<b>Appointment</b>	<b>Full-Time</b>	<b>Part-Time</b>
Regular	Must be covered by Social Security and Retirement.	Must be covered by Social Security and has option to join TCRS.
Temporary or Interim	Cannot be covered by Retirement, but must be covered by Social Security.	Cannot be covered by Retirement, but must be covered by Social Security.

**Political Subdivisions Who Have  
Authorized Optional Membership for Part-Time Employees**

	<u><b>Full-Time</b></u>	<u><b>Part-Time</b></u>
(1) Regular	I. All employees -mandatory membership Complete a TCRS membership form and return the form to our office.	I. All employees -optional membership Complete a TCRS membership form for those employees electing to join TCRS, and return the form to our office.
(2) Seasonal*	I. Employees less than age 25 Not eligible for membership. Do not enroll these employees.  II. Employees over age 25 -optional membership Complete a TCRS membership form for those employees electing to join TCRS.	I. Employees less than age 25 Not eligible for membership. Do not enroll these employees.  II. Employees over age 25 - optional membership Complete a TCRS membership form for those employees electing to join TCRS.
(3) Temporary*	I. Employees less than age 25 Not eligible for membership. Do not enroll these employees.  II. Employees over age 25 - optional membership Complete a TCRS membership form for those employees electing to join TCRS.	I. Employees less than age 25 Not eligible for membership. Do not enroll these employees.  II. Employees over age 25 - optional membership Complete a TCRS membership form for those employees electing to join

*\*Do not complete a membership form for any individual who is not eligible for membership in the TCRS, or elects not to enroll in the TCRS.*



## EXHIBIT IV



**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
**10th Floor Andrew Jackson State Office Building**  
**Nashville, Tennessee 37243-0230**

**MEMBER INFORMATION CHANGE**

**Always list your name, social security number, and date of birth "As Reported" with TCRS. Please complete the "As Reported" and "Should Be" lines only on information you wish changed.**

Name As Reported:	Last	First	Middle	Maiden
Name Should Be:				
Social Security Number As Reported:				
Social Security Number Should Be:				
Birthdate As Reported:	Month /	Day /	Year	
Birthdate Should Be:	Month /	Day /	Year	
Address As Reported:				
Address Should Be:				
Sex As Reported:	(    ) Male		(    ) Female	
Sex Should Be:	(    ) Male		(    ) Female	
Signature:			Date:	
Department Name Where Employed:				
Work Phone Number: (        )				

## 300 REPORTING SALARY, CONTRIBUTIONS AND SERVICE CREDIT

- 301 Employee Contributions.** Employee contributions received by TCRS are credited to each member's account. While the contributions are on deposit, interest is calculated on the previous June 30 balance at the rate of 5% compounded annually. Employee contributions are calculated by multiplying the employee's monthly earnable compensation by the applicable contribution rate (Exhibit I).

Employee contributions are labeled in two ways depending upon how they are funded:

- A. Contributory. Employee contributions are deducted from compensation at a rate dependent upon the member's retirement type. For those local governments who have passed the provisions of the 414(h) plan, the employees retirement contributions will be tax deferred.
- B. Noncontributory. Members who were employed prior to authorization of noncontributory retirement (July 1, 1981 for State and higher education employees, or the date of election by a political subdivision) are credited with the employer assumed 5% contribution in the same manner as contributory members. Those employed after the authorization date will only be given salary and service credit. No contributions will be credited to the employee account.

- 302 Employer Contributions.** Employer contributions are computed by multiplying the employee's monthly earnable compensation by the employer contribution rate. Employer contribution rates are determined on a biennial basis by the actuary. Shortly after each valuation, the TCRS will notify each department of its new employer contribution rate and its effective date. The employer will then be responsible for reporting and funding employer contributions based on the new rate.

Funding for employer contributions to the retirement system comes from various sources. In most cases the reporting department is responsible for forwarding the funds to the retirement system along with its monthly contribution report. In other cases, the funds are channeled directly to the system from another agency. The following schedule describes in detail the funding and reporting of contributions to the retirement system:

A. K-12 Teachers

- 1. Employer contributions for K-12 teachers (department codes beginning with 99) and teachers paid with federal funds or grants (department codes beginning with 91) are funded by the appropriate grant or program, for example: The Basic Education Plan and Title I. Both employer and employee contributions should be submitted with the contribution report.
- 2. If a teacher is paid by both sources of funds, the teacher should appear on both contribution reports for the appropriate amount of salary and service.

- B. The employer contributions for all higher education employees including employees of vocational and technical schools are to be submitted with the contribution report.
- C. Political subdivision employees are funded by the employer regardless of the funding source.
- D. The employer contributions for State employees paid by the Department of Finance and Administration are funded by State appropriation.

- 303 Reporting Service Credit.** Employers are required to report service credit with the monthly report of salary and contributions.

A full-time employee who is not without pay during a period should have service credit reported based on the following schedule:

	<u>Type of Employee</u>	<u>Service Credit to be Reported</u>
(1)	Employee whose salary is reported to TCRS 12 months per year.	1.00 per month for 12 months
(2)	Board of Education employee whose salary is reported to TCRS 11 months per year.	1.10 per month for 11 months 0.00 per month for 1 months
(3)	Board of Education employee whose salary is reported to TCRS 10 months per year.	1.20 per month for 10 months 0.00 per month for 2 months
(4)	Board of Education employee whose salary is reported to TCRS 9 months per year.	1.34 per month for 9 months 0.00 per month for 3 months

Service credit for a full-time employee who is without pay during a period or a part-time employee should be reported on a pro rata basis in direct proportion to a regular full-time schedule. Actual service credit should be reported to the retirement system each month. Any rounding of service will be made by the retirement system. **In no case shall any member receive more than 12 months creditable service in a given year.**

**304 Instructions for Making Monthly Contribution Reports.** Employee and employer contributions are to be made to the retirement system on a monthly basis. The contributions must be accompanied by a “Contribution Report” detailing the employee and employer contributions. The contributions as well as the contribution report for a particular month are due on the first day of the following month and are delinquent after the 10th of the month.

The complete “Contribution Report Package” should consist of the following three documents:

- A. Monetary Transmittal Device. There are several means of transmitting monies to the retirement system.
1. Bank Drafts: The most common method for making contribution payments to the retirement system is “Bank Drafts” (check). One check for the combined total of employee and employer contributions should be submitted. Personal checks for employee contributions should not be submitted.
  2. Wire Transfers: A reporting department may make contribution payments through wire transfers through the Federal Wire System. TCRS requests a faxed copy of the contribution worksheet the day *before* the transfer.
  3. ACH Payments: A reporting department may make contribution payments through the ACH Payment System (Automated Clearing House).
  4. LGIP Transfers: Another method for a department to make a contribution is through an LGIP (Local Government Investment Pool) transfer. To find out more about LGIP, contact the LGIP office at (615) 532-1163.

- B. Contribution Worksheet (Exhibit II). A monthly worksheet is to be submitted to the TCRS summarizing the "Detail Contribution Report". This worksheet consists of the following information:
1. Department Code: Assigned by TCRS and preprinted on the form.
  2. Department Name: Preprinted on form.
  3. Signatures: The appropriate signatures must appear for the report to be accepted.
  4. Payroll Personnel Information: Preprinted on form based upon information supplied by the department. It is important to keep this information up to date.
  5. Service: This total represents the total service of the employees who worked for the department for the month. This figure must equal the total of the detail report.
  6. Gross Salary: The total salary (full salary even if covered by 414(h) plan) of all people appearing on that report, as well as, noncontributory local teachers and prior class B teachers. This figure must equal the detail report.
  7. Employer Rate: Assigned by TCRS, based upon a biennial actuarial valuation.
  8. Employer Contributions: Calculated by multiplying the gross salary by the employer rate.
  9. Employee Contributions: The total amount of employee contributions appearing on that report. This figure must equal the detail report.
  10. Total Contributions: Summarization of employer and employee contributions.
  11. Adjustments: If a department has overpaid or underpaid on a prior contribution report, the correct amount will be added or subtracted **by TCRS personnel only**. If adjustments are to be made by the department, the adjustments should be made only to the individual's salary and contributions on the detail contribution report or on the hard copy printout.
  12. Total Amount Remitted: This should be the total paid on the department's monetary transmittal device.
- C. Detail Contribution Report - (Exhibit IIa) A monthly detail contribution report must accompany each Contribution Worksheet. This report is used as physical documentation of the amounts on the worksheet, as well as documentation for future reference.

The Detail Contribution Report should include the employee's name, social security number, salary, retirement type, contribution, and monthly service. These reports can be in one of several acceptable forms. These are outlined and explained below:

1. Preprinted Contribution Report - Commonly called a "Turnaround Document". It consists of a computer printout of the necessary information and is generated by TCRS based upon the contribution information reported the previous month. It is the responsibility of the department to update this data monthly to correctly reflect each employee's payroll record. This can be accomplished by:

- a. Additions: When an employee first becomes a member of TCRS, all pertinent information should be entered under the correct heading on the last page of the preprinted report. This data will be used to update the new member's account and to generate next month's preprinted report. **Please include social security numbers on any new employees added to the monthly contribution reports.**
  - b. Deletes: When an **employee ceases to make monthly contributions** to the retirement system, due to **retirement or termination of employment, a line should be drawn through his record on the contribution report.** This will remove his record from the Preprinted Contribution Reports generated by the TCRS office in future months. Do not remove a school employee during the summer months even if he is not making a regular monthly contribution assuming the employee is returning with the fall school session.
  - c. Changes: When **changes are required** to an individual salary, contribution, name, or social security number, **the incorrect information should be circled and the correct information entered to the right of the incorrect information.** Blanks are provided for this purpose. The new data will be used to generate the following month's detail report. Do not circle or enter salaries or contributions for employees whose salaries or contributions do not change.
  - d. **Before making any adjustments which may be unfamiliar, contact the Accounting Section at (615) 532-8049.**
2. Contribution Reports Using Diskettes:

Our data processing facilities are capable of handling 3½" diskettes and CDs. If your department has computer facilities with these capabilities, we request that you make your monthly contribution reports using a diskette or CD. This method will not only facilitate our operations, but will also eliminate most of the manual operations on your part. If your department decides to make monthly contribution reports using this system you will be responsible for submitting on a monthly basis a diskette or CD detailing employee contributions, a "hard copy" printout of the contribution report, a worksheet summarizing the contributions by employee and employer, and the correct monetary transmittal device.

- a. All diskettes and CDs should meet the guidelines in Exhibit III and use the format in Exhibit IV. **Unreadable or incorrect diskettes or CDs will also be returned for correction.**
- b. The "hard copy" of your contribution report is to consist of a computer printed report of the diskette submitted to the retirement system. Both the printed report and the diskette should be submitted in alphabetical order. It should list all pertinent information for each individual on the diskette that month. Grand totals should also appear for salary and employee contributions, and service.

If your department sends in more than one department code on diskette, a separate printed report must be provided for each department.

- c. A worksheet is to be prepared from the printed report. The worksheet and printed report are due in our office on or before the 10th of the following month along with the diskette and monetary transmittal device of the total employee and employer contributions.

- d. Corrections to the Contribution Report after the diskette has been submitted to the retirement system are permissible. The corrections should be made on the printed report to be submitted or if the printed report has already been submitted, by written notification to the Contributions Section. Include all data normally provided on the diskette.
3. The retirement system strongly encourages all reporting departments to utilize an automated system; however, the following conditions must be met:
  - a. Any and all programming changes must be made and financed by the reporting department. The retirement system will provide assistance in setting up such a process; however, the responsibility for changing programming to meet specifications will be with the reporting department. Also, a test diskette should be provided to the TCRS the month prior to the beginning of reporting by or diskette.
  - b. The reporting department's computer must be capable of storing one or more months of retirement information on tape or internally. This information will be used in the following month to prepare the contribution report; therefore, the system must be able to process stored information at the same time it is using current information to produce the contribution report.

**305 Underpayment or Overpayment of Employer Contributions.** If a department fails to remit the sufficient amount of employer contributions for any reporting period, the retirement system will bill the department for the deficiency. Payment will be due 15 days after the date of billing. If a department overpays the employer contribution, a credit will be established for future use by the department. We ask that the department take the credit on its next contribution report.

**306 Underpayment or Overpayment of Employee Contributions.** The retirement system audits each department's monthly contribution report. In the event an error is found, the department will be notified by letter. Instructions and examples of how to correct the error will be included.

**307 Penalty for Delinquent Contributions.** Any time the contribution report is received after the due date, a specific penalty will be assessed. The assessment is 5½% of the amount of contribution due if not more than 30 days delinquent and an additional 5% for each additional 30 days of delinquency up to a 25% total penalty. Upon receipt, the penalty payment will be credited to the TCRS investment income account to compensate for the interest lost on the delinquent payment.

**308 Administrative Cost.** The cost of administering the retirement system is shared by all participating agencies, departments, and political subdivisions based on a pro-rata computation. The cost per active member is found by dividing the average quarterly expenses incurred by the retirement system by the total number of active contributing members. The cost per member is then multiplied by the number of active members in each group to arrive at that department's administrative cost and expressed as a percentage of payroll that is built into the employer contribution rate paid by each employer.

**309 Non-Members.** Each month the retirement system will furnish every reporting group with a list of employees appearing on the previous monthly contribution report who are nonmembers. Please review this list for the correctness of each employee's name and social security number since there is no record of these employees being enrolled in the retirement system. If either the name or the social security number is incorrect, the correction should be made on the printout, and on the monthly report or disk to ensure future contributions are recorded properly. If a Membership Form has not been completed for any of these employees, please do so immediately. The corrected printout and



any Membership Forms should be returned to the retirement system as soon as possible. This will insure the member's contributions being properly credited to his account.

### 310 Compensation Not to be Reported

- A. **Payment for Sick and Annual Leave in a Lump Sum.** Contributions shall not be deducted from any payment made in a lump sum for accumulated sick or annual leave while an active member or at retirement.
- B. **Retirement Incentives.** Contributions shall not be deducted from any payment made in the form of a bonus for the sole purpose of increasing a member's retirement benefit or inducing a member to retire.
- C. **Fire and Police Pay Bonuses.** Contributions shall not be deducted from any bonus paid to a fireman or policeman for completion of an in-service state training and fire-fighting program. (Only applies to the State Law Enforcement Program for local governments.)
- D. **Taxable Payments that are not Salary.** Payments for transportation, parking, cars, travel, meals, fringe benefits, office allowances or other similar payments that may be subject to FICA and withholding but are not included in salary, should not be reported.
- E. **Payments to Those Other Than Employees.** Payments to independent contractors, law firms and others who are not employees should not be reported.

Note: In addition to income tax sheltered 414(h) contributions, several employers operate deferred compensation plans 401(k), 457, and 403(b). Others also offer flexible benefit plans authorized under Section 125 of the Internal Revenue Code that allows employees to totally avoid both federal income tax and social security taxes on medical insurance, out-of-pocket medical expenses, day care expenses, attorneys fees or even post-retirement life insurance for school system employees. **While these are excellent programs, employers must report to TCRS the gross salary payable before application of the salary reductions for income tax and social security purposes.**

### EXHIBIT I

Schedule of employee contribution rates

### EXHIBIT II

Contribution Report

### EXHIBIT III

Contributions Reporting File Layout

### EXHIBIT IV

Diskette Guidelines



**Rates Below Apply to General State Employees**  
**Department Codes = 3XXXX & 4XXXX & 7XXXX**  
**FY 2007 & 2008**

**EXHIBIT I**

Retirement Type	Employee Classification	Employee Contribution		Employer Contribution Rate	Social Security Coverage
		Below SS Level	Above SS Level		
001	State Prior Class A	0.00%	0.00%	state	Yes
002	State Prior Class B	2.00%	2.00%	state	No
003	State Policemen Prior Class C	6.63%	6.63%	state	No
006	State Judges Prior Class	3.00%	3.00%	25.18	No
007	Attorney General Prior Class	8.00%	8.00%	25.18	No
012	Wildlife Officer Prior Class B	5.00%	5.00%	state	No
013	Public Service Comm. Prior Class	3.00%	3.00%	state	No
017	Prior Class Attorney General	3.00%	3.00%	25.18	No
021	State Gen. Emp. Group I	0.00%	0.00%	state	Yes
022	State Class B Transferred	0.00%	0.00%	state	No
023	State Class A New or Transferred	0.00%	0.00%	state	
031	Wildlife Officers Class A	0.50%	0.50%	state	Yes
032	State Prior Class B Limited	2.00%	2.00%	state	No
033	State Policemen Prior to 7/1/76	0.50%	0.50%	state	Yes
037	Attorney General Group III	0.50%	0.50%	25.18	Yes
038	Group II Wildlife Special	5.50%	5.50%	state	Yes
039	Group II State Policemen Special	5.50%	5.50%	state	Yes
046	State Judges 7/1/74 7/1/76	0.50%	2.00%	25.18	Yes
047	Attorney General 9/1/74 7/1/76	5.50%	7.00%	25.18	Yes
075	State Policemen After 7/1/76	0.00%	0.00%	**	Yes
076	State Judges After 7/1/76	0.00%	0.00%	25.18	Yes
077	Attorney General After 7/1/76	5.00%	5.00%	25.18	Yes
078	Wildlife Officer After 7/1/76	0.00%	0.00%	**	Yes
079	Public Service Comm. After 7/1/76	0.00%	0.00%	state	Yes
080	General Assembly Noncontributory	0.00%	0.00%	state	Yes
085	UT Agriculture Extension Service	N/A	N/A	N/A	N/A
086	Aged State	N/A	N/A	N/A	N/A
089	General Assembly Contributory	5.00%	5.00%	state	Yes
102	State Prior Class B	0.00%	0.00%	state	No
103	State Policemen Prior Class C	0.00%	0.00%	state	No
147	Group III Attorney General:	0.50%	2.00%	25.18	Yes
175	State Policemen After 7/1/76	5.00%	5.00%	**	Yes
176	Group IV State Judge:	0.50%	2.00%	25.18	Yes
177	Group I Attorney General:	0.00%	0.00%	25.18	Yes
221	State Election Commission	0.00%	0.00%	state	N/A

\*\*The employer rate is increase by .98% for the mandatory retirement provision.

The total rate is 14.56% (7/1/06 - 12/31/06); 14.64% (1/1/07 - 6/30/07); 14.60% (7/1/07 - 6/30/08).

Beginning 8/1/07, the rate will increase by 2.17% due to the public safety benefit improvement.

The total rate at 8/1/07 - 6/30/08 is 16.77%.

EMPLOYER GROUP	EMPLOYER CONTRIBUTION RATE
STATE	13.62%
TEACHER	6.24%
POLI-SUB	Indiv.

**Rates Below Apply to Teachers in State Agencies****Current Department Codes = 7XXXX****Department Codes = 3XXXX & 7XXXX & 91701-91922, 91930-91975, 99701-99922, 99930-99951****FY 2007 & 2008**

Retirement Type	Employee Classification	Employee Contribution		Employer Contribution Rate	Social Security Coverage
		Below SS Level	Above SS Level		
004	Teacher Prior Class A	0.00%	0.00%	state	Yes
005	Teacher Prior Class B	2.00%	2.00%	state	No
020	Teacher 10 Month New or	0.00%	0.00%	state	Yes
024	Teacher 12 Month New or	0.00%	0.00%	state	Yes
025	Teacher Transferred Class B	0.00%	0.00%	state	Yes
026	Teacher Class A	0.00%	0.00%	state	No
027	Teacher Class B Transferred	0.00%	0.00%	state	No
069	Local Teachers After 6/30/72	N/A	N/A	N/A	N/A
070	Local Teachers Prior to 7/1/72	N/A	N/A	N/A	N/A
084	Aged Teacher	N/A	N/A	N/A	N/A
091	ORP Member	0.00%	0.00%	10% or 11%	Yes
095	TIAA/CREF Member Benefit	0.00%	0.00%	10% plus state	Yes
105	Teacher Prior B Discontinued	0.00%	0.00%	state	No

**Rates Below Apply to K-12 Teachers in Local Education Agencies****Department Codes = 91701-91922, 91930-91975, 99701-99922, 99930-99951****FY 2007 & 2008**

Retirement Type	Employee Classification	Employee Contribution		Employer Contribution Rate	Social Security Coverage
		Below SS Level	Above SS Level		
004	Teacher Prior Class A	3.00%	3.00%	Teacher	Yes
005	Teacher Prior Class B	7.00%	7.00%	Teacher	No
020	Teacher 10 Month New or	5.00%	5.00%	Teacher	Yes
024	Teacher 12 Month New or	5.00%	5.00%	Teacher	Yes
025	Teacher Transferred Class B	5.00%	5.00%	Teacher	No
026	Teacher Class A	5.00%	5.00%	Teacher	No
027	Teacher Class B Transferred	5.00%	5.00%	Teacher	Yes
069	Local Teacher After 6/30/72	N/A	N/A	Teacher	N/A
070	Local Teachers Prior to 7/1/72	N/A	N/A	Teacher	N/A
084	Aged Teacher	N/A	N/A	N/A	N/A
105	Teacher Prior B Discontinued	0.00%	0.00%	Teacher	No
170	Local Teachers Prior to 7/1/72	N/A	N/A	Teacher	N/A

EMPLOYER GROUP	EMPLOYER CONTRIBUTION RATE
STATE	13.62%
TEACHER	6.24%
POLI-SUB	Indiv.

**Rates Below Apply to County Judges**  
**Department Codes = 1XXXX**  
**FY 2007 & 2008**

Retirement Type	Employee Classification	Employee Contribution		Employer Contribution Rate	Social Security Coverage
		Below SS Level	Above SS Level		
049	County Judges Prior to 9/1/74	8.00%	8.00%	N/A	Yes
050	County Judges 9/1/74 7/1/76	5.50%	7.00%	N/A	Yes
051	County Judges After 7/1/77 Con	5.00%	5.50%	Poli-sub	Yes
051	Co. Judges After 7/1/77 NonCon	0.00%	0.00%	Poli-sub	Yes
082	County Judges 7/1/76 7/1/77	5.00%	5.00%	N/A	Yes
349	*County Judges Prior to 9/1/74	0.00%	0.00%	8.00%	Yes
350	*Group III County Judge	0.00%	0.00%	5.50%	Yes
382	*Group I County Judges	0.00%	0.00%	5.00%	Yes

**Rates Below Apply to County Judges**  
**Department Codes = 0XXXX**  
**FY 2007 & 2008**

Retirement Type	Employee Classification	Employee Contribution		Employer Contribution Rate	Social Security Coverage
		Below SS Level	Above SS Level		
048	County Officials Prior to 7/1/72	8.00%	8.00%	N/A	Yes
051	County Officials After 7/1/77 Con	5.00%	5.50%	Poli-sub	Yes
051	Co. Officials After 7/1/77 NonCon	0.00%	0.00%	Poli-sub	Yes
068	County Officials 7/1/72 7/1/76	5.50%	7.00%	N/A	Yes
081	County Officials 7/1/76 7/1/77	5.00%	5.00%	N/A	Yes
248	*County Officials Prior to 7/1/72	5.00%	5.00%	3.00%	Yes
348	**County Officials Prior to 1972	0.00%	0.00%	8.00%	Yes
368	**Group III County Officials	0.00%	0.00%	5.50%	Yes
381	**Group I County Official	0.00%	0.00%	5.00%	Yes

**Rates Below Apply to Political Subdivisions with Contributory Provisions****Department Codes = 8XXXX****FY 2007 & 2008**

Retirement Type	Employee Classification	Employee Contribution		Employer Contribution Rate	Social Security Coverage
		Below SS Level	Above SS Level		
051	General Employee After 7/1/72	5.00%	5.50%	Poli-sub	Yes
052	General Employee Prior Class A	3.00%	5.00%	Poli-sub	Yes
053	General Employee Transferred	5.50%	5.50%	Poli-sub	No
054	General Employee Transferred	5.00%	5.50%	Poli-sub	Yes
055	General Employee Prior Class B	7.00%	7.00%	Poli-sub	No
056	Firemen & Policemen	5.50%	7.00%	Poli-sub	Yes
059	Firemen & Policemen	7.00%	7.00%	Poli-sub	Yes
061	Firemen & Policemen	7.00%	7.00%	Poli-sub	Yes
066	Group II F & P Special	10.50%	12.00%	Poli-sub	Yes
083	Firemen & Policemen After 7/1/76	5.00%	5.50%	Poli-sub	Yes
155	General Employee Prior Class B	0.00%	0.00%	Poli-sub	No
156	Fireman & Policemen	5.50%	7.00%	Poli-sub	No
251	Elected Board and Commission	5.00%	5.50%	Poli-sub	Yes

\* Employee rate above Social Security Wage Base may be limited to the rate below the Wage Base if the Limit Contribution Option is Passed by the Poli-sub.

**Rates Below Apply to Political Subdivisions with Non-Contributory Provisions****Department Codes = 8XXXX****FY 2007 & 2008**

Retirement Type	Employee Classification	Employee Contribution		Employer Contribution Rate	Social Security Coverage
		Below SS Level	Above SS Level		
051	General Employee After 7/1/72	0.00%	0.50%	Poli-sub	Yes
052	General Employee Prior Class A	0.00%	0.00%	Poli-sub	Yes
053	General Employee	0.50%	0.50%	Poli-sub	No
054	General Employee	0.00%	5.00%	Poli-sub	Yes
055	General Employee Prior Class B	2.00%	0.50%	Poli-sub	No
056	Firemen & Policemen	0.50%	2.00%	Poli-sub	Yes
059	Firemen & Policemen Prior Class B	2.00%	2.00%	Poli-sub	No
061	Firemen & Policemen Prior Class A	2.00%	2.00%	Poli-sub	Yes
066	Group II F & P Special	5.50%	7.00%	Poli-sub	Yes
083	Firemen & Policemen After 7/1/76	0.00%	0.50%	Poli-sub	Yes
251	Elected Board and Commission	0.00%	0.50%	Poli-sub	Yes

\* Employee rate above Social Security Wage Base may be limited to the rate below the Wage Base if the Limit Contribution Option is Passed by the Poli-sub.

Tennessee Consolidated Retirement System  
Contributions Section  
P.O. Box 198766  
Nashville, TN 37219-8766  
Contributions Report Worksheet for \_\_\_\_\_

Department Code: \_\_\_\_\_  
Dept. Name: \_\_\_\_\_  
Payroll Officer Name: \_\_\_\_\_  
  
Chief Fiscal Officer Name: \_\_\_\_\_

Note: **Please include Social Security Numbers for all employees.**  
**For new employees added to your last retirement report;**  
**please check their social security numbers on this report**  
**to ensure that we have recorded them properly.**  
  
If you have any questions about your adjustments, please  
call (615) 532-8049.

Prepared By: \_\_\_\_\_  
Approved By: \_\_\_\_\_  
Title: \_\_\_\_\_

**Complete one worksheet for each department code reported. Indicate the total salary for the department.**

Calculation:	_____ X _____	Employer Contributions:	_____
	(Gross Salary) (Employer Rate)	Employee Contributions:	_____
Total Service:	_____ (This must be completed)	Total Contributions:	_____
Penalty: (5.5% first month, 5% each additional 30 days in the aggregate of 25%. A penalty will be assessed if this report is not in our office by the 10th of each month.		Adjustment (for TCRS use only)	_____
		Total amount remitted:	_____

State of Tennessee Payroll Listing for \_\_\_\_\_

Dept	Last Name	First Name	Old Ser	New Ser	Old Salary	New Salary	Type	Old Ded	New Ded	SSN	Num
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## EXHIBIT III

**Contributions Accounting, Reporting, and Loading On-Line System  
(CARLOS)**

**New Contributions Reporting File Layout**

<u>FIELD</u>	<u>NO.</u> <u>CHRS</u>	<u>START</u> <u>POSITION</u>	<u>END</u> <u>POSITION</u>	<u>TYPE</u> <u>CLASS</u>	<u>COMMENTS</u>
FILLER	7	1	7	A/N	
DEPARTMENT-CODE	5	8	12	N	
LAST-NAME	15	13	27	A/N	
FIRST-NAME	14	28	41	A/N	
SALARY	9	42	50	N	S9(7)V99
RETIREMENT-TYPE	3	51	53	N	9(3)
CONTRIBUTION	7	54	60	N	S9(5)V99
RECORD-TYPE	1	61	61	A/N	SPACE FOR THE OLD FORMAT OR "B" FOR NEW FORMAT
MONTH-OF-CONTRIBUTION		2	62	63	N 9(2)
YEAR-OF-CONTRIBUTION	4	64	67	N	9(4)
SOCIAL-SECURITY-NUMBER		9	68	76	N 9(9)
SERVICE	3	77	79	N	S9V99
CONTRIBUTION-FILE-TYPE	1	80	80	A/N	DEFAULTS TO A "M"; M=MAIN CONTRIBUTION RUN
					S = SUPPLEMENTAL CONTRIBUTION RUN

**Additional Comments:**

- The new Contributions Reporting File Name is "CONTRIB" with no extension.
- Each record ends in a Carriage Return Line Feed.
- All signed fields should use a trailing sign included with the last digit (i.e., -1 = J or +1 = A)
- Contributions Reporting Files can not span multiple diskettes.
- Each record should only contain the Salary, Contribution Amount, and Service for the indicated month and year on the contribution record. Never report more than one (1) month's contributions in a file, include a record for each Month and Year of Contribution that is being reported. (i.e., If reporting May, June, and July contributions for an individual, include a record for May, then a record for June, and then a record for July, all in the same file.)



**EXHIBIT IV**

**GUIDELINES FOR REPORTING PAYROLLS BY DISKETTE**

1. Must be IBM compatible, DOS formatted diskette.
2. Current diskette requirements are 3½" high density (1.44 MB).
3. Data must be in an unpacked ASCII format.
4. Record must be 80 characters in length. Record must agree with the attached format.
5. Diskette must have an external label containing the following:
  - a. Name of reporting agency
  - b. Reporting period
  - c. File name to be accessed on diskette (CONTRIB with no extension)
  - d. Department codes contained on the diskette
6. The diskette is to contain one file named CONTRIB with no extension. The file will contain the contributions file following the record layout of EXHIBIT III. Each record should end with a carriage return, line feed. Contributions reporting files can not span multiple disks.
7. No beginning or ending blank lines should be included.
8. No departmental summary total records should be included.
9. File must be in the root directory on the diskette, no internally labeled diskettes.

## 400 CURRENT AND PRIOR SERVICE

**401 Service Credit.** Service credit plays an important role in determining a member's eligibility for TCRS benefits and the dollar amounts payable. Service credit includes current (or membership) service plus any prior service established by the member. A member's total creditable service is rounded to the nearest month when benefits are calculated. Employees of school boards or agencies supported by and under control of the State receive one year of creditable service for each school year whether it is on a 9, 10, 11 or 12 month basis. **In no case shall any member receive more than 12 months of creditable service in a given year.**

**402 Vested Member.** All members must attain vested status to qualify for retirement benefits. Any member who is out of service for a period of seven years before attaining a vested status shall lose membership.

- A. Any Group I member with a membership date before July 1, 1979 who has four or more years of creditable service is a vested member. Any person becoming a member on or after July 1, 1979, with five years of creditable service is vested. Vesting for political subdivisions is 10 years unless a resolution is passed to allow five-year vesting.

In the case where an employee has worked for two employers with different vesting schedules the process for determining vesting would be as follows:

1. Determine if total service vests the employee under both employers.
2. If total service does not vest the employee, then service with each employer must be reviewed to determine whether the employee is vested with the employer. It would be possible for an employee to be vested with one employer but not another.

### EXAMPLE OF EMPLOYEES WITH MULTI-EMPLOYERS

	Service Credit With:		Vesting Status
	10-Year Vesting Employer	5-Year Vesting Employer	
Employee 1	5 years	5 years	Fully Vested
Employee 2	1 year	9 years	Fully Vested
Employee 3	6 years	4 years	Fully Vested
Employee 4	2 years	5 years	Vested with 5 years only
Employee 5	3 years	6 years	Vested with 6 years only
Employee 6	3 years	3 years	Not Vested
Employee 7	4 years	4 years	Not Vested
Employee 8	5 years	4 years	Not Vested

- B. A vested member's membership shall continue until he terminates employment and withdraws his contributions, retires or dies.
- C. A non-vested member who loses membership must request a refund of any contributions credited to his account in the retirement system.

- 403 Current Service.** Current service (or membership service) refers to service credit accrued by a member since the date of membership for which the required employee and employer contributions have been made and not withdrawn. State employees, higher education employees and employees of local governments with noncontributory retirement are not required to make employee contributions, however, their salaries, service credit and the applicable employer contributions are reported to the TCRS.

Simultaneous membership in more than one publicly supported retirement system is prohibited -- no member of the TCRS shall be eligible to be a member of any other state, county, or municipal retirement system and receive retirement credit for the same service established in the TCRS. If any employee is eligible for membership in more than one retirement system for the same service, the employee is subject to the mandatory membership provisions and must become a TCRS member and withdraw his membership from the other plan.

- 404 Prior Service Credit.** Retirement credit for prior service may be established by filing a claim for such service with the retirement system, by satisfying all the requirements of the law, and by making any required payment. If the TCRS has no prior record of the service being claimed, the employer must certify on the "Application for Additional Retirement Credit" (Exhibits I & Ia) the employee's salary and service. In the absence of payroll records, affidavits may be used (Exhibit II). Affidavits should be used when no current records are available with respect to this service, and the former employer must certify this on each affidavit. These affidavits must also be signed by different persons who have personal knowledge of the member's service and who are not family members.

**Employer payments on behalf of employees are not permitted.** Under certain limited circumstances, payments of prior service can be made by a rollover from a qualified pension plan or conduit IRA.

**405 Types of Prior Service Credit**

- A. Military Service Credit. There are three provisions of the retirement plan regarding retirement credit for service in the military which are outlined below. All three of these provisions apply to state employees and teachers. **TCRS members participating as employees of political subdivisions are not covered by the "armed conflict"(2) or "limited peacetime"(3) provisions unless the chief governing body of the political subdivision has specifically authorized these provisions or began participating after the date the provisions became effective.** The "armed conflict" provisions became effective July 1, 1984 and the "limited peacetime" provisions became effective July 1, 1987. Generally, members are limited to four years of military credit.

1. General Provisions:

In order to receive retirement credit for military service, a member must apply for credit with the retirement system and must provide documentation of his period of service (Exhibit III). Military service credit will be granted by the retirement system only if the member satisfies the following requirements:

- a. The credit cannot be established in any other retirement system unless the member receives a 100% combat related military disability based on less than 20 years of service, or the member is receiving credit in the Military Reserve retirement system as a military reservist called into active duty and who was released from military duty on or after December 3, 1974.
- b. The member was discharged under conditions other than dishonorable.

## 2. Interrupted Employment:

- a. Any member may establish retirement credit for any period of military service which interrupted employment. The member must have left employment with the state or a participating political subdivision to enter the military and returned to employment with the state or a participating political subdivision within six months of discharge.
- b. The member may establish credit for armed conflict service that interrupted employment free. Peacetime service that interrupted employment may be established by making a lump-sum payment of the contributions that would have been made had the member remained in service. One day of retirement credit may be established for each day served.
- c. Persian Gulf War (Desert Storm):
  - (1) Any member who leaves or left service with the State of Tennessee, as a K-12 teacher, or any political subdivision in order to perform military duty in the armed forces of the United States during the Persian Gulf War, and who is reemployed by the State of Tennessee or a participating political subdivision within six months after being relieved of such military duty shall have the option to establish retirement credit for such military service without charge to the member. A payment of the contributions that would have been made had the member remained in service will be required on behalf of employees of political subdivisions who have not authorized the provision making this service free to the member.
  - (2) The Persian Gulf War means the period from and including August 2, 1990, to the date thereafter prescribed by presidential proclamation or by federal law.

## 3. Armed Conflict Periods:

A member who is a teacher, a higher education employee, a state employee, or an employee of a political subdivision that has authorized armed conflict service may establish retirement credit rendered during the following periods of armed conflict regardless of whether or not it interrupted employment:

World War I	04/07/17 - 11/11/18
World War II	12/07/41 - 12/31/46
Korean Conflict	06/27/50 - 01/31/55
Vietnam Era	02/28/61 - 05/07/75

There is no cost to the member for establishing armed conflict service credit. One day of credit may be established for each day served.

## 4. Limited Peacetime Periods:

A member may establish retirement credit for military service performed during a period of peacetime from October 15, 1940 through May 7, 1975. Service is granted at the rate of one day of credit for each day served during the first year of duty. Payment for the first year of credit is equal to the member's current monthly salary multiplied by 10½ percent multiplied by 12 months. Service after the first year of duty is granted at the rate of one day of credit for every two days served. Payment for service after the first year is equal to the current monthly salary multiplied by nine percent multiplied by the number of months service to be established.

Employees of a political subdivision may establish peacetime military credit if the local government has passed a resolution authorizing such service.

B. Authorized Educational Leave of Absence. Any member who is a full-time employee may receive credit for retirement purposes for an educational leave of absence provided such authorization is approved by the Board of Trustees under the following conditions (Exhibit IV):

1. The leave of absence must be for the purpose of attending school or engaging in academic research related to the member's employment which will increase the employee's efficiency to the employer;
2. Employment was interrupted by leave period. The member must return to service with the same employer within one year following the leave and work for one full year after the leave has been taken;
3. If the member is on leave from an educational institution supported by the state, he will be deemed as returning to the same employer if the member returns to service, with an educational institution supported by the state, within one (1) year following the leave period and remains employed for at least one (1) year thereafter.
4. A claim form certifying the approval of the leave by the granting agency is furnished to and approved by the TCRS.
5. Any member shall be entitled to receive retirement credit for educational leaves of absence not to exceed an aggregate of two years credit during a working career.
6. Contributory Member. Contributions should be made during the leave of absence based on the annual salary in effect for the year prior to going on the leave of absence; or after completion of the leave, contributions may be made by a backpayment equal to the contributions which would have been made based on the previous year's salary, plus interest at the rate of 7½% interest per annum from the date contributions should have been made.
7. Noncontributory Member. The member will be credited with salary and service after he has returned to work for one full year; however, any employee contributions made by the employer on behalf of a member will not be credited to the member's account for the time he is on a leave of absence. Since some members who are employed by noncontributory departments make contributions above the 5% paid by the employer, the member may be required to make a back payment of contributions above 5% plus interest.

EXAMPLE: A class B employee of a noncontributory department who is required to pay 7% contributions based on his earnings (5% employer, 2% employee), prior to leave would be required to make a back payment of 2% of his salary which he would have made had he been employed during the time he was on leave. Interest on this amount will be included in payment.

C. Service Lost Due to Advanced Age.

1. State Employees, Teachers, Higher Education Employees. Any current employee who has lost service credit or has been denied membership because of advanced age shall be eligible to establish credit for these periods of service by making a lump-sum payment in an amount equal to the contributions that would have been made had the employee been a member plus 7½% interest per annum.

2. Political Subdivision Employees: The provisions applicable to state employees above may be authorized by the chief governing body of a political subdivision for its employees. (See Section 1000)
- D. Delegate to Constitutional Convention. Any member of this system or any superseded system who served as a delegate to a State of Tennessee Constitutional Convention may claim such service as prior service. Contributions must be made in a lump-sum payment equal to the amount he would have contributed had he been a member during that period of time plus 7½% interest per annum. Each year of service as a delegate is equal to one year of service credit.
- E. General Assembly Member. Any member of this system or a superseded retirement system who has served in the General Assembly may claim such service as prior service. Contributions must be made in a lump-sum payment equal to the amount which would have been contributed to the retirement system during the period of time claimed, plus 7½% interest per annum. Each year of service in the General Assembly is equal to one year of service credit.
- F. Prior Service for Teachers. Any teacher may claim retirement credit for any state or public teaching service rendered. Contributions must be made in a lump-sum payment equal to the contributions which would have been made if the teacher had been a member of the retirement system during the period for which credit is claimed, plus 7½% interest per annum. Service prior to 1945 is free.
- G. Prior Service for Political Subdivision Employment.
  1. Any person who was employed for 30 days prior to the date the political subdivision begins participating in the retirement system and who elects to join the system within 30 days of the participation date, may claim prior service credit as authorized by the political subdivision. The cost for this service must be borne by either the employee or the employer as provided in the resolution to participate. If the service is to be purchased by the employee, he must make a lump-sum payment of the contributions he would have made had he been a member of the retirement system plus 7½% interest per annum.

The employer's share of the liability will be taken into consideration when establishing the employer contribution rate, provided, however, in the event the employee or teacher was not continuously employed by the employer from the period of previous service claimed through and including the date the approval is given, the employee or teacher must have been employed by the employer on the date the approval is given and continuously for the six months immediately preceding or after that date.

2. Any member who has one year or more of current membership service in the Tennessee Consolidated Retirement System shall be entitled to establish retirement credit for time during which such member was employed by a political subdivision if the following conditions are met:
  - a. The political subdivision is a participating employer in the Tennessee Consolidated Retirement System.
  - b. The political subdivision legislative body passes a resolution authorizing an actuarial study to determine the liability associated with such membership and prior service, and accepting responsibility for the costs of such study.
  - c. The member files with the political subdivision, within 60 days of the passage of the resolution authorizing the study, a notice of his intention to establish such prior service with the employer. Any member failing to file the notice of election within the sixty-day period shall not later be eligible to establish such prior service.



- d. Following receipt of the actuarial study, the political subdivision legislative body by a 2/3 vote adopts a resolution authorizing membership and prior service for such members and accepting the liability therefor; provided, that the political subdivision may only authorize credit for such periods of previous service as authorized for other members of the political subdivision.
  - e. Any person establishing such prior service must make a lump-sum payment equal to the member contributions he would have made had he been a member of the retirement system during the period claimed, plus interest (if payment is required).
- H. Prior Service for County Officials and County Judges. County officials who participate pursuant to TCA § 8-35-116 (without authorization by the county) may only receive credit for prior service if the county authorizes and assumes the liability for such prior service. Upon passage of a resolution to provide this credit, the county official or county judge shall be entitled to credit upon making a payment of the contributions he would have made had he been a member of the retirement system, plus 7½% interest per annum.
- I. Prior Service for Members of City or County Boards, Commissions, Committees, Councils, Etc. Elected by Popular Vote. Any person who was employed for 30 days prior to the date that the political subdivision authorizes these employees to participate and becomes a member within 30 days of the authorization date may claim retirement credit for past service rendered in these positions. Credit will only be granted for service that does not overlap with periods of service credited to the member in any other capacity. The member must make a payment of the contribution he would have made had he been a member of the retirement system plus 7½% interest per annum. The employer share of the liability will be funded by monthly employer contributions based on the results of an actuarial study.
- J. Retirement Credit for Six Months Waiting Period. Retirement credit may be established by any state employee who was employed in a full-time position during the period July 1, 1972 through June 30, 1973 and who was required by executive order or policy to wait six months to participate in the retirement system. The member shall be granted such credit for the period upon the making of a payment equal to the contributions he would have made had he been a member of the retirement system. Interest will not be charged.
- K. Purchase of Probationary Period for Political Subdivision Employees. Certain political subdivision employees who were required to work a probationary period prior to enrolling in the TCRS are eligible to purchase retirement credit for this period if the political subdivision authorizes this process. The member must make a payment equal to the amount he would have contributed had he been a member of the retirement system during the probationary period.
- L. Part-Time Service
  - 1. State Employees and Teachers. State employees and teachers are eligible to establish prior service as a part-time employee by making a lump-sum payment of the contributions that would have been made had the employee been a member. Interest of 7½% per annum will be added unless payment is made within one year of the date the employee becomes a member of the TCRS. The interest free provision does not apply to previously refunded part-time service which may only be established as a redeposit with interest.
  - 2. Political Subdivision Employees. Employees of political subdivisions may purchase retirement credit for prior service as a part-time employee only if the political subdivision has authorized their part-time employees to participate. Authorization requires a resolution

of the chief governing body for political subdivisions beginning participation in the TCRS prior to July 1, 1984 (see Section 1000) and is automatic for those beginning participation after that date.

Eligible political subdivision employees may establish prior service as a part-time employee by making a lump-sum payment of the contributions that would have been made had the employee been a member. Interest of 7½% per annum will be added unless payment is made within one year of the date part-time participation is authorized by the political subdivision or within one year of the date the employee becomes a member of the TCRS, whichever is later.

All eligible part-time service rendered after the date the political subdivision begins participation in the TCRS may be established; however, the amount of part-time service rendered prior to the date of participation which can be established will be determined in accordance with the amount of prior service credit allowed by the employer when TCRS participation was authorized.

M. Temporary Disability.

1. State Employees, Higher Education Employees and Teachers:

Periods of time when an employee is receiving a temporary disability benefit from the division of claims administration or worker's compensation may be established for retirement credit. The member must return to active service or retire immediately following cessation of the temporary disability benefits. No member may receive more than one year of service credit for each occurrence of temporary disability. To establish this credit, the member must make a lump-sum payment of the contributions that would have been made on the basis of the salary in effect immediately prior to the period of disability, plus 7½% interest per annum (Exhibit V).

2. Political Subdivision Employees. The above provisions may be adopted by a political subdivision upon passage of a resolution by the chief governing body. (See Section 1000).

N. Reestablishing Withdrawn Service. Upon accruing one year of membership service, any member who has terminated employment and has withdrawn his accumulated contributions from this system or any of the superseded systems may redeposit the contributions and receive credit for the years in which the contributions were made. The member's current membership classification will determine the group in which the service will be credited. The cost to redeposit is an amount equal to the amount withdrawn plus 7½% interest per annum computed from the date of the withdrawal of the funds to the date of redeposit.

O. Credit for Out-of-State Service. Any teacher or state employee may establish retirement credit for previous service rendered as a full-time public school teacher or full-time state employee in a state other than Tennessee under the following conditions: (1) Member must be vested; (2) Member is not receiving or entitled to receive any retirement benefit from another state based on this service; (3) Out of state service being established may not exceed creditable service in Tennessee; (4) The out of state service must be properly documented on a form provided by the TCRS (Exhibit VI); **(5) Out of state service is credited for establishing eligibility only; benefits shall not be paid on the service and the service credit can only be used to eliminate the reduction eligibility of years of service;** and (6) The employee shall be required to pay in one lump-sum payment both the employee and employer contributions which would have been made had he been a member of the retirement system plus 7½% interest per annum.



Please refer to the TCRS website for a pamphlet regarding purchasing out-of-state service.

**406 Acceptable Payment Methods.** Members who must make a payment to establish their prior service may choose between two payment methods, a lump sum payment or an installment payment plan.

- A. Lump Sum Method. A lump sum payment for the entire balance due may be made. A member may also rollover or transfer from a tax-deferred 401(k) plan, 403(b) plan, 457 plan, or IRA. To begin the rollover process, the member must complete an Application for Acceptance of Rollover Funds (Exhibit VII).
- B. Installment Method. A member may choose to pay for their prior service on an installment plan. This plan operates by automatic electronic transfer of funds from the member's bank account each month until the account is paid in full. The member may select from a defined set of payment terms ranging from 6 to 60 months depending on the number of years of service to be purchased; however, the installment period cannot exceed the number of months service that is being established. Probationary service, out of state service, and interrupted military service can not be purchased on the installment payment plan.

**407 Service Credited at the Time of Retirement.**

- A. Accumulated Sick Leave. Upon retirement, any state employee or teacher who accumulated sick leave under the applicable provision of the law shall be eligible to use the accumulated sick leave as creditable service. Each 20 days of sick leave shall equal one month of retirement credit and can be used to meet the minimum service requirements for retirement. The employer shall certify in the appropriate space on the Application for Retirement the number of accumulated unused sick leave days.

Employees cannot be paid for sick leave days and also receive retirement credit. All members leaving service before reaching retirement requirements should have their unused sick leave certified at that time.

- B. Accumulated Sick Leave for Employees of Political Subdivisions
  - 1. If a political subdivision's date of participation is prior to July 1, 1983, retirement credit will be granted under the conditions outlined above provided a resolution to provide this credit was passed by the governing body.
  - 2. If a political subdivision's date of participation is after July 1, 1983, the granting of retirement credit for unused accumulated sick leave days will be automatic provided the political subdivision has a sick leave plan. A resolution to provide this benefit is not required.
  - 3. Employees are limited to accruing 12 days of sick leave per year.
  - 4. Generally, with the exception of school superintendents, elected or appointed officials do not accumulate any type of leave for retirement purposes.
- C. Annual Leave. Generally, payment for annual leave or terminal leave is a continuation of salary. The member is continued on the payroll until the annual leave is used. Contributions must be deducted from these wages and the salary and service are recognized for retirement purposes. The effective date of retirement will be the day following the day the member left the payroll. Members compensated by lump-sum payments for annual or sick leave may not include this leave or salary for retirement purposes.

**EXHIBIT I**

Application for Additional Retirement Credit

**EXHIBIT Ia**

Application for Additional Retirement Credit (Higher Education)

**EXHIBIT II**

Affidavit of Prior Service Time and Salary

**EXHIBIT III**

Military Service Credit Claim Form

**EXHIBIT IV**

Application for Retirement Credit for Educational Leave of Absence

**EXHIBIT V**

Application for Claiming Credit for a Period of Temporary Disability

**EXHIBIT VI**

Application for Out-of-State Service

**EXHIBIT VII**

Application for Acceptance of Rollover Funds



TREASURY DEPARTMENT  
**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
 10TH FLOOR ANDREW JACKSON BUILDING  
 NASHVILLE, TENNESSEE 37243-0230



## APPLICATION FOR ADDITIONAL RETIREMENT CREDIT

**Instructions:** Applicant completes parts 1, 2 and 4 as indicated. Employer completes parts 3, 5 and 6.  
 Please type or print legibly in black ink.

<b>PART 1</b>	To be completed by <i>applicant</i> .	Name _____
Home Phone _____	Work Phone _____	Present Employer _____
Employer During Time of Service Being Claimed _____		Position Held _____
I am presently a member of the Tennessee Consolidated Retirement System. <input type="checkbox"/> Yes <input type="checkbox"/> No Have you ever been refunded your account balance from TCRS? <input type="checkbox"/> Yes <input type="checkbox"/> No Is the service being claimed established with any other pension or retirement plan. If yes, give name of system. _____		I am a member of another retirement system. <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, give name of system. _____

<b>PART 2</b>	The <i>applicant</i> is to have this form notarized and forward it to employer for certification.	_____ Applicant's Signature
STATE OF TENNESSEE COUNTY OF _____ _____, personally appeared before me on this the ____ day of _____ 20____, who makes oath that (he)/(she) executed the foregoing instrument.  <div style="display: flex; justify-content: space-between;"> <span>Notary Seal _____</span> <span>My Commission Expires _____</span> </div> <div style="text-align: center;">Notary Public</div>		

<b>PART 3</b>	To be completed by <i>employer</i> .		
The employer is requested to complete the service and salary information for the above named employee on the REVERSE side of this form. This information should only be taken from official payroll records. Once the information has been entered, complete this part and return this form to the retirement system.  The information contained is correct to the best of my knowledge. Further, I understand that the documents used in certifying this information are subject to audit by the State Comptroller's office. This information was taken from official records of:			
Name of Department or Institution _____			
Address of Department or Institution _____			
Phone Number _____	Signature of Department Head _____		Date _____

<b>PART 4</b>	<b>To be completed by <i>applicant</i>.</b>	Name	Date of Birth	Social Security No.
		Address	City	State

**CERTIFICATION OF SERVICE.** The amount of service credited to a TCRS member's account will have an effect on retirement benefits. It is important that the service certified below is complete and correct.

<b>PART 5</b>	<b>To be certified by <i>employer</i>.</b>	Position in which service was rendered: _____
<b>Why was the service not reported initially? Check at least one.</b> <input type="checkbox"/> Employee was not eligible when the service was rendered. <input type="checkbox"/> Part-Time Service. <input type="checkbox"/> Probationary / Waiting Period <input type="checkbox"/> Other (specify) _____ <input type="checkbox"/> Employer reporting error or oversight. <input type="checkbox"/> Employee elected not to join TCRS (see Employer Manual Exhibit III). <input type="checkbox"/> Employee was enrolled in Local Teacher Plan (not TCRS), or Optional Retirement Plan (ORP). <input type="checkbox"/> Current Status of Local or ORP Account Balance? _____		<b>Was the service rendered in any of the following capacities? Check at least one.</b> <input type="checkbox"/> Graduate Assistant <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Adjunct Faculty Member <input type="checkbox"/> Student Worker <input type="checkbox"/> Employee of Another Entity _____ <input type="checkbox"/> Substitute Teacher / # Days Taught _____ <input type="checkbox"/> Other (specify): _____

**DIRECTIONS.** Enter the service and salary information of the applicant by fiscal year only (July 1 through June 30). Do not list more than one year of service on a single line. Complete columns A-E with the following information:

- A. Enter the actual beginning and ending dates of employment within each fiscal year.
- B. Enter the gross salary earned for the applicant's actual period of employment during the fiscal year.
- C. Enter the time period (in months and days) for which the applicant was compensated for employment during the fiscal year.  
Example: A full year of service would be entered as 12 months, 0 days.
- D. Enter the number of months that the applicant was required to work assuming he/she was employed the entire fiscal year.  
Example: A teacher's aide might be required to work only 10 months during a 12-month period, therefore, 10 would be entered.
- E. If the applicant's employment within the fiscal year was rendered on a part-time basis, enter the percentage of time worked compared to full-time employment. If the applicant's service was considered full-time, enter 100%.

<b>PART 6</b>	<b>To be completed by <i>employer</i>.</b>	<b>Do not complete if this service has been refunded.</b>					
	A.	B.	C.		D.	E.	TCRS USE ONLY
			MOS.	DAYS			
EX.	07/01/60 – 06/30/61	\$6,000	12	0	12	100%	
1							
2							
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12							



TREASURY DEPARTMENT  
**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
 10TH FLOOR ANDREW JACKSON BUILDING  
 NASHVILLE, TENNESSEE 37243-0230



**CERTIFICATION OF SERVICE BY DEPARTMENTS OF HIGHER EDUCATION**

**Instructions:** Applicant completes parts 1, 2 and 4 as indicated. Employer completes parts 3, 5 and 6.  
 Please type or print legibly in black ink.

<b>PART 1</b>	<b>To be completed by <i>applicant</i>.</b>	Name _____	
Home Phone _____		Work Phone _____	Present Employer _____
Employer During Time of Service Being Claimed _____			Position Held _____
I am presently a member of the Tennessee Consolidated Retirement System. <input type="checkbox"/> Yes <input type="checkbox"/> No  Is the service being claimed established with any other pension or retirement plan? <input type="checkbox"/> Yes <input type="checkbox"/> No  If yes, give name of system. _____		I am a member of another retirement system. <input type="checkbox"/> Yes <input type="checkbox"/> No  If yes, give name of system. _____	

<b>PART 2</b>	<b>The <i>applicant</i> is to have this form notarized and forward it to employer for certification.</b>	_____ Applicant's Signature
STATE OF TENNESSEE COUNTY OF _____  _____, personally appeared before me on this the _____ day of _____ 20_____, who makes oath that (he)/(she) executed the foregoing instrument.  <div style="display: flex; justify-content: space-between;"> <div>           Notary Seal _____            Notary Public         </div> <div>           My Commission Expires _____         </div> </div>		

<b>PART 3</b>	<b>To be completed by <i>employer</i>.</b>			
<p>The employer is requested to complete the service and salary information for the above named employee on the REVERSE side of this form. This information should only be taken from official payroll records. Once the information has been entered, complete this part and return this form to the retirement system.</p> <p>The information contained is correct to the best of my knowledge. Further, I understand that the documents used in certifying this information are subject to audit by the State Comptroller's office. This information was taken from official records of:</p>				
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Name of Department or Institution</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Address of Department or Institution</div> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Phone Number _____</td> <td style="width: 33%;">Signature of Department Head _____</td> <td style="width: 33%;">Date _____</td> </tr> </table>		Phone Number _____	Signature of Department Head _____	Date _____
Phone Number _____	Signature of Department Head _____	Date _____		

<b>PART 4</b>	<b>To be completed by <i>applicant</i>.</b>	Name	Date of Birth	Social Security No.
Address		City	State	Zip Code

**CERTIFICATION OF SERVICE.** The amount of service credited to a TCRS member's account will have an effect on retirement benefits. It is important that the service certified below is complete and correct.

<b>PART 5</b>	<b>To be certified by <i>employer</i>.</b>	
<b>Why was the service not reported initially? Check at least one. If other, explain.</b> <input type="checkbox"/> Employee was not eligible when the service was rendered. <input type="checkbox"/> Part-time service prior to July 1, 1984. <input type="checkbox"/> Due to advanced age and vesting requirements. <input type="checkbox"/> Waiting Period <input type="checkbox"/> Other: _____ <input type="checkbox"/> Employer reporting error or oversight.		<b>Was the service rendered in any of the following capacities? Check at least one. If other, explain in detail.</b> <input type="checkbox"/> Graduate assistant <input type="checkbox"/> Independent contractor <input type="checkbox"/> Adjunct faculty member <input type="checkbox"/> Student worker <input type="checkbox"/> Employee of another entity <input type="checkbox"/> Other: _____

**DIRECTIONS.** Enter the service and salary information of the applicant by fiscal year only (July 1 through June 30). Do not list more than one year of service on a single line. Complete columns A-E with the following information:

- A. Enter the actual beginning and ending dates of employment within each fiscal year.
- B. Enter the gross salary earned for the applicant's actual period of employment during the fiscal year.
- C. Enter the time period (in months and days) for which the applicant was compensated for employment during the fiscal year. Example: A full year of service would be entered as 12 months, 0 days.
- D. Enter the number of months that the applicant was required to work assuming he/she was employed the entire fiscal year. Example: A teacher's aide might be required to work only 10 months during a 12-month period, therefore, 10 would be entered.
- E. If the applicant's employment within the fiscal year was rendered on a part-time basis, enter the percentage of time worked compared to full-time employment. If the applicant's service was considered full-time, enter 100%.

<b>PART 6</b>	<b>To be completed by <i>employer</i>.</b>						
	A.	B.	C.		D.	E.	TCRS USE ONLY
			MOS.	DAYS			
EX.	07/01/60 – 06/30/61	\$6,000	12	0	12	100%	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							



**Tennessee Consolidated Retirement System**  
**10th Floor Andrew Jackson State Office Building**  
**Nashville, Tennessee 37243-0230**



## AFFIDAVIT OF PRIOR SERVICE TIME AND SALARY

If official records are not available, two sworn statements from two individuals, other than relatives, having personal knowledge of the service herein claimed must be submitted. **Part I** is to be completed by the claimant. **Part II** is to be completed by an individual having knowledge of the claimant's service. **Part III** is to be completed by the present department head of that employer under which the service was accrued. Parts I and II must be notarized upon signing. Time claimed in Part I must agree with that certified in Part II. *Separate affidavits must be filed for each employer.* Please note that any intentional misstatement constitutes fraud and will cause forfeiture of all related benefits in this system.

*Please type or print legibly in black ink.*

<b>Part I - To be completed by claimant</b>				1. Social Security No.:	
2. Name: Last		First		Middle	Maiden
3. Address: Street (Rural Route)		City	State	Zip Code	
4. Birthdate:			5. Telephone: (       )		
6. I am presently a member of the Tennessee Consolidated Retirement System: <input type="checkbox"/> Yes <input type="checkbox"/> No					
7. Period Claimed by Fiscal Year From                      To		Estimated Annual Salary	Mos. in Full Yr. of Service	Months Worked	Position Held
EX: 7-1-60	6-30-61	\$10,000	12	12	
I, the employee, apply for retirement credit as stated above, and certify that the information provided in Part I is correct to the best of my knowledge and belief. <div style="text-align: right;">Signature _____</div>					
State Of _____			County Of _____		
Personally appeared before me, the within named _____ makes oath that he or she executed the foregoing instrument; this _____ day of _____, 20 _____.  <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> <div style="text-align: center;">_____ Notary Seal</div> <div style="text-align: center;">_____ My Commission Expires (over)</div> </div> <div style="width: 50%; text-align: center;"> <div>_____ Notary Public</div> <div>_____ My Commission Expires</div> </div> </div>					

***Please type or print legibly in black ink.***

<b><i>Part II - To be completed by an individual having knowledge of the claimant's service</i></b>					
I certify that I have known _____ for _____ years. (Claimant's Name)					
Also, I have personal knowledge that the claimant was employed by and rendered service as listed on the front of this form with <i>Name of Department, County, City, or Institution:</i>					
Your Name: Last		First	Middle	Maiden	
Address: Street (Rural Route)		City	State	Zip Code	
Signature _____					
State Of				County Of	
Personally appeared before me, the within named _____ makes oath that he or she executed the foregoing instrument; this _____ day of _____, 20 _____.					
<div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> <p style="text-align: center;"><i>Notary Seal</i></p> </div> <div style="width: 50%;"> <p style="text-align: center;">_____ Notary Public</p> <p style="text-align: center;">_____ My Commission Expires</p> </div> </div>					
<b><i>Part III - To be completed by employer</i></b>					
I, _____, certify that the official records for the period of service claimed in Part I of this affidavit are not available. Also, the salary claimed in Part I is reasonable for the period claimed and understand that this representation is subject to audit by the state comptroller as provided by Chapter 315, Section 13, Public Acts of 1975.					
Signed _____ Title _____ Agency _____ Date _____					
TR-0041 (Rev. 2/96)					





**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
 10th Floor Andrew Jackson State Office Building  
 Treasury Department  
 Nashville, Tennessee 37243-0230  
 (615) 741-4868

**EXHIBIT III****APPLICATION FOR MILITARY SERVICE RETIREMENT CREDIT**

If you have served in the Armed Forces of the United States, please complete this application, and we will determine your eligibility for retirement credit. If your military service interrupted your employment with the state or with a participating political subdivision, please have your employer(s) complete Part II of this form.

**PART I**

I, the undersigned, hereby claim retirement credit for military duty in the armed forces of the United States under the provisions of Tennessee Code Annotated 8-34-605 beginning \_\_\_\_\_ and ending \_\_\_\_\_. **I further certify that I am receiving no credit in any other retirement system including, but not limited to, the United States Military Retirement System Federal Civil Service Systems, or any other retirement system for this military service with exception to the National Guard and Reserves.** A copy of my military record is enclosed, showing the date of entry to and release from active duty.

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Address \_\_\_\_\_ Date of Birth \_\_\_\_\_  
 (Street)

\_\_\_\_\_  
 (City) (State) (Zip) Work Telephone Number \_\_\_\_\_

Signature of Member \_\_\_\_\_ Present Employer \_\_\_\_\_

State of Tennessee, County of \_\_\_\_\_

Personally appeared before me the above named \_\_\_\_\_, who makes oath that he (or she) executed the foregoing instrument.

This \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

NOTARY PUBLIC \_\_\_\_\_ My Commission Expires \_\_\_\_\_

**PART II**

This section is to be completed only by those employees whose military service interrupted their employment for the state of Tennessee or a political subdivision of the state participating in the TCRS.

**EMPLOYMENT PRIOR TO MILITARY SERVICE**

\_\_\_\_\_  
 Name of Agency or Department FROM \_\_\_\_\_ TO \_\_\_\_\_  
 Dates of Employment

I certify that the above mentioned employee completed any required probationary period and that \$ \_\_\_\_\_ per month was the member's last salary prior to his entering military service.

SIGNATURE OF EMPLOYER \_\_\_\_\_ TITLE \_\_\_\_\_

**EMPLOYMENT FOLLOWING MILITARY SERVICE**

\_\_\_\_\_  
 Name of Agency or Department FROM \_\_\_\_\_ TO \_\_\_\_\_  
 Dates of Employment

I certify that the above dates of employment are accurate.

SIGNATURE OF EMPLOYER \_\_\_\_\_ TITLE \_\_\_\_\_

## CREDIT FOR MILITARY SERVICE IN THE TCRS

You may claim retirement credit for active duty military service by completing the attached form and returning it to this office along with a copy of your DD214 form or other official documents certifying your date of entry and date of release from active duty.

A member may establish up to four years retirement credit by meeting certain terms and conditions for military service. Retirement credit will be granted as long as the military service is not creditable in any other retirement system (including the Military Retirement System), and the member received a discharge other than dishonorable. Military service credit may not be used in determining any rights in the Tennessee Consolidated Retirement System prior to a member becoming vested.

The following period of armed conflict service may be established, without cost, by the member:

World War I:	April 7, 1917 to Nov. 11, 1918	Korean Conflict:	June 27, 1950 to Jan. 31, 1955
World War II:	Dec. 7, 1941 to Dec. 31, 1946	Vietnam Era:	Feb. 28, 1961 to May 7, 1975

Any other creditable period must be purchased by the member:

Current law as of July 1, 1997, allows establishment of retirement credit for military service under any of the following conditions:

### 1. Interrupted Military Service by any Member

Any member whose military service interrupted state employment, teaching service or employment with a political subdivision participating in the TCRS may establish retirement credit for service in the Armed Forces of the United States if the member returned to such employment within six (6) months after discharge. Interrupted military may occur any time after the end of the Vietnam Era and the member must make the appropriate retirement contributions in order to establish the credit.

### 2. Armed Conflict Service

- A. State employees, teachers, and higher education employees may establish credit for military service rendered during a period of armed conflict.
- B. Employees of a participating local government may establish credit for military service rendered during a period of armed conflict if the local government has passed a resolution authorizing such service.

### 3. Peacetime Military Service between October 15, 1940 and February 28, 1961 may be established on a basis of day for day credit for the first year of active duty and at one-half credit beyond the first year.

- A. State employees, teachers, and higher education employees may establish credit for peacetime military service rendered between October 15, 1940 and February 28, 1961 by making a lump-sum payment. The lump-sum payment is calculated as follows: current monthly salary times ten and one-half percent (10.5%) times months of service credit being established for the first year and current monthly salary times nine percent (9%) times months of service credit being established beyond the first year.
- B. Employees of a participating local government may establish credit if the local government has passed a resolution authorizing such service credit.

***When we receive the completed form and necessary documents, we will review the information and notify you of the creditability of your service and any cost involved. If you have any questions concerning military retirement credit please call Member Services at (615) 741-4868.***

## EXHIBIT IV



# TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

10th Floor Andrew Jackson State Office Building  
Nashville, TN 37243-0230

## APPLICATION FOR RETIREMENT CREDIT FOR EDUCATIONAL LEAVE OF ABSENCE

**PART I: To Be Completed By The Employee:**

I, \_\_\_\_\_, \_\_\_\_\_ residing at \_\_\_\_\_  
Employee's Name Social Security Number

Employee's Name

Social Security Number

residing at

Street Address

understand that

City

---

State

---

Zip Code

in order to be eligible to establish retirement credit for an educational leave of absence, I must obtain the approval of my employer and the Board of Trustees of the Tennessee Consolidated Retirement System and that I must make the necessary contributions, if required, to establish such service. I also understand that I must be reemployed by such employer within one (1) year following the leave period and remain so employed for a least one (1) year thereafter.

*Explain the nature of the leave and how it relates to your employment:*

Date \_\_\_\_\_

Employee's Signature

**PART II: To Be Completed By The Employer:**

Employee's Position Prior To Leave

\$

Annual Salary Prior To Leave

I hereby certify that said employee has/had approval of \_\_\_\_\_ to take  
Employer's Name

Employer's Name

educational leave of absence for the purpose of engaging in academic research related to his/her employment and whose leave is intended to increase his/her efficiency as an employee, beginning \_\_\_\_\_ and continuing \_\_\_\_\_

Month/Day/Year

through \_\_\_\_\_ and to make monthly contributions, if required, to the retirement system for this  
Month/Day/Year

---

Month/Day/Year

leave. If needed, the employee is to make financial arrangements with the employer for the monthly contributions.

Date \_\_\_\_\_  
Month/Day/Year

Month/Day/Year

Signature of Department Head

Date \_\_\_\_\_  
Month/Day/Year

Month/Day/Year

Signature of Budget Director

**PART III: For Retirement Use Only:**

The aforementioned employee has been approved to make contributions for retirement credit while on his educational leave.

Date \_\_\_\_\_  
Month/Day/Year

---

Month/Day/Year

---

Signature of Prior Service Counselor

Date \_\_\_\_\_  
Month/Day/Year

---

Month/Day/Year

---

Signature of Supervisor of Prior Service





**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
**10th Floor Andrew Jackson State Office Building**  
**Nashville, TN 37243-0230**  
**(615) 741-4868**



**APPLICATION FOR RETIREMENT CREDIT FOR SERVICE RENDERED OUT OF STATE**

**PART 1: TO BE COMPLETED BY APPLICANT**

Last	Name	First	Middle	Maiden
/ /	/ /	( )	( )	
Social Security Number	Date of Birth	Home Telephone	Business Telephone	
Address		Street	City	State Zip Code
Are you currently a member of the Tennessee Consolidated Retirement System?				<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the service being claimed established with another retirement system?				<input type="checkbox"/> Yes <input type="checkbox"/> No
Position held in other state _____				

**PART 2: TO BE COMPLETED BY OUT-OF-STATE EMPLOYER**

I hereby certify to the Tennessee Consolidated Retirement System that according to official records available to me the above named employee was employed as shown below.

Please complete the following: (1) Periods served—use fiscal years only; (2) actual months and days served; (3) number of months in a full working year; (4) salary paid for each period; (5) whether employee was full time or part time; (6) percentage of time worked (if employee worked part time).

Name of Employer and School System or Department		1		2		3	4	5		6
		From M/D/Y	To M/D/Y	Mos.	Days	Mos. in Yr.	Salary	Full Time	Part Time	%
EX.	Bonn County Schools	7/1/62	6/30/63	12	0	12	\$5,000	X		
1										
2										
3										
4										
5										

\_\_\_\_\_  
Signature of Department Head or Superintendent

\_\_\_\_\_  
Name of State Department or School System

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Date

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

**PART 3: TO BE COMPLETED BY AN OFFICIAL OF THE OUT-OF-STATE RETIREMENT SYSTEM**

The following member is seeking to establish credit in the Tennessee Consolidated Retirement System for previous service as a full time state employee or teacher for a state outside the state of Tennessee. In order to establish this service, the law provides that the member may not be receiving or be eligible to receive credit in any other state for the service being claimed.

Please check your records for the status of the service listed in Part 1 and 2 and certify the following statements.

Was the person named in Part 1 of this form a member of your Retirement System? ☐ Yes ☐ No

Is the person receiving or entitled to receive at any time in the future, a benefit from your retirement system based on the service certified in Part 2? ☐ Yes ☐ No

Comments

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---

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Signature

---

Title

( )

Date \_\_\_\_\_

Telephone Number

---

Name of Retirement System

---

Address

City

State

Zip

Please return this form to:

**Tennessee Consolidated Retirement System  
10th Floor Andrew Jackson State Office Building  
Nashville, Tennessee 37243-0230**

10th Floor Andrew Jackson State Office Building  
Nashville, Tennessee 37243-0233

## EXHIBIT VII

## APPLICATION FOR ACCEPTANCE OF TRANSFER OR ROLLOVER FUNDS

**Instructions** —In accordance with T.C.A. Section 8-37-214 and the Internal Revenue Code, a member of the Tennessee Consolidated Retirement System (TCRS) who is eligible to purchase prior service credit may pay for that additional retirement credit with a direct transfer or a rollover of a distribution from a retirement plan approved by the IRS under Section 401(a), 401(k), or 403(b) of the Internal Revenue Code. A member may also pay for the additional retirement credit with a rollover of a distribution from a plan operated by a government under Section 457(b) of the Internal Revenue Code or from a regular IRA. TCRS may NOT accept a transfer or rollover from a Roth IRA or from a 457 plan sponsored by a nongovernmental entity.

1. Please review the enclosed brochure *Purchasing Prior Service with a Rollover*. You may also access the information at our web site [www.treasury.state.tn.us/tcrs/p.htm](http://www.treasury.state.tn.us/tcrs/p.htm).
2. Complete Part I of this form, have Part II certified by the plan sponsor or IRA trustee, and submit it to TCRS with your prior service payment. A copy of your TCRS prior service billing should also be included.
3. **If you are submitting transfer or rollover funds from more than one plan, PART II must be completed for each plan.** Additional forms may be obtained from our web site at [www.treasury.state.tn.us/tcrs/f.htm](http://www.treasury.state.tn.us/tcrs/f.htm).
4. It is your responsibility to complete this form for TCRS as well as any other forms required by the investment vendor. Contact your vendor for those forms and procedures. In addition, it is your responsibility to confirm that the vendor has completed the TCRS form and transferred appropriate funds.
5. You are **prohibited** from using the rollover funds as a **partial** payment. However, rollover funds may be used to pay off the balance of an established TCRS installment account.

**PART I — PRIOR SERVICE PAYMENT PLAN - To be completed by the TCRS member**

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Address			
Street	City	State	Zip
123 Main St	New York	NY	10001
456 Elm St	Los Angeles	CA	90001
789 Oak St	Chicago	IL	60601
101 Pine St	San Francisco	CA	94101
202 Maple St	Seattle	WA	98101
303 Birch St	Portland	OR	97201
404 Cedar St	Denver	CO	80201
505 Spruce St	Phoenix	AZ	85001
606 Fir St	San Diego	CA	92101
707 Redwood St	San Jose	CA	95101
808 Cypress St	San Antonio	TX	78201
909 Juniper St	Fort Worth	TX	76101
1010 Hickory St	Dallas	TX	75201
1111 Walnut St	Austin	TX	78701
1212 Chestnut St	Houston	TX	77001
1313 Sycamore St	Phoenix	AZ	85002
1414 Dogwood St	San Diego	CA	92102
1515 Magnolia St	San Jose	CA	95102
1616 Tulip St	Seattle	WA	98102
1717 Rose St	Portland	OR	97202
1818 Iris St	Denver	CO	80202
1919 Dandelion St	Phoenix	AZ	85003
2020 Lavender St	San Diego	CA	92103
2121 Zinnia St	San Jose	CA	95103
2222 Marigold St	Seattle	WA	98103
2323 Sunflower St	Portland	OR	97203
2424 Poppy St	Denver	CO	80203
2525 Pansy St	Phoenix	AZ	85004
2626 Peony St	San Diego	CA	92104
2727 Geranium St	San Jose	CA	95104
2828 Begonia St	Seattle	WA	98104
2929 Fuchsia St	Portland	OR	97204
3030 Camellia St	Denver	CO	80204
3131 Hibiscus St	Phoenix	AZ	85005
3232 Orchid St	San Diego	CA	92105
3333 Jasmine St	San Jose	CA	95105
3434 Petunia St	Seattle	WA	98105
3535 Verbena St	Portland	OR	97205
3636 Salvia St	Denver	CO	80205
3737 Echinacea St	Phoenix	AZ	85006
3838 Yarrow St	San Diego	CA	92106
3939 Primrose St	San Jose	CA	95106
4040 Pinks St	Seattle	WA	98106
4141 Anemone St	Portland	OR	97206
4242 Ranunculus St	Denver	CO	80206
4343 Delphinium St	Phoenix	AZ	85007
4444 Foxglove St	San Diego	CA	92107
4545 Impatiens St	San Jose	CA	95107
4646 Larkspur St	Seattle	WA	98107
4747 Lupine St	Portland	OR	97207
4848 Nasturtium St	Denver	CO	80207
4949 Petaluma St	Phoenix	AZ	85008
5050 Verbena St	San Diego	CA	92108
5151 Salvia St	San Jose	CA	95108
5252 Echinacea St	Seattle	WA	98108
5353 Yarrow St	Portland	OR	97208
5454 Primrose St	Denver	CO	80208
5555 Pinks St	Phoenix	AZ	85009
5656 Anemone St	San Diego	CA	92109
5757 Ranunculus St	San Jose	CA	95109
5858 Delphinium St	Seattle	WA	98109
5959 Foxglove St	Portland	OR	97209
6060 Impatiens St	Denver	CO	80209
6161 Larkspur St	Phoenix	AZ	85010
6262 Lupine St	San Diego	CA	92110
6363 Nasturtium St	San Jose	CA	95110
6464 Petaluma St	Seattle	WA	98110
6565 Verbena St	Portland	OR	97210
6666 Salvia St	Denver	CO	80210
6767 Echinacea St	Phoenix	AZ	85011
6868 Yarrow St	San Diego	CA	92111
6969 Primrose St	San Jose	CA	95111
7070 Pinks St	Seattle	WA	98111
7171 Anemone St	Portland	OR	97211
7272 Ranunculus St	Denver	CO	80211
7373 Delphinium St	Phoenix	AZ	85012
7474 Foxglove St	San Diego	CA	92112
7575 Impatiens St	San Jose	CA	95112
7676 Larkspur St	Seattle	WA	98112
7777 Lupine St	Portland	OR	97212
7878 Nasturtium St	Denver	CO	80212
7979 Petaluma St	Phoenix	AZ	85013
8080 Verbena St	San Diego	CA	92113
8181 Salvia St	San Jose	CA	95113
8282 Echinacea St	Seattle	WA	98113
8383 Yarrow St	Portland	OR	97213
8484 Primrose St	Denver	CO	80213
8585 Pinks St	Phoenix	AZ	85014
8686 Anemone St	San Diego	CA	

Home Phone (       )                      Daytime Phone (       )

<b>Total Amount Due</b>	\$
-------------------------	----

### Sources of Funding - Summary

- |   |          |
|---|----------|
| 1. Transfer or rollover from _____<br>(Name of Plan or Financial Institution) | \$ _____ |
| 2. Transfer or rollover from _____<br>(Name of Plan or Financial Institution) | \$ _____ |
| 3. Transfer or rollover from _____<br>(Name of Plan or Financial Institution) | \$ _____ |
| 4. Personal check (remaining balance, if any, must be paid in lump sum)       | \$ _____ |

**TOTAL PAYMENT DUE** \$

Signature of Member \_\_\_\_\_ Date \_\_\_\_\_

*(Next page to be completed by the plan sponsor or IRA Trustee.)*

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**PART II — VERIFICATION OF SOURCE AND AMOUNT OF DIRECT TRANSFER/  
ROLLOVER - To be completed by the plan sponsor or IRA trustee. If more than  
one plan is involved, a separate form must be completed for each plan.***TCRS is a qualified plan under Section 401(a) of the Internal Revenue Code.*On \_\_\_\_\_, 20\_\_\_\_\_, the \_\_\_\_\_, issued/will issue  
(Month/Day) (Year) (Name of Plan or Financial Institution)

a distribution or transfer to or on behalf of the individual named on the previous page.

This plan is authorized to issue a transfer or a distribution eligible for rollover to a qualified plan because it is:

**Check one**

- ☐ a qualified 401(a) or 401(k) retirement plan sponsored by \_\_\_\_\_ ;
- ☐ a governmental 457 plan sponsored by \_\_\_\_\_ ;
- ☐ a 403(b) contract; **OR**
- ☐ a regular IRA established under Section 408 of the Internal Revenue Code. This is not a Roth IRA established under Section 408A of the Internal Revenue Code, or an Education IRA.

**The total amount of distribution eligible for rollover from this plan is \$\_\_\_\_\_.**

Signature \_\_\_\_\_ Name (please print) \_\_\_\_\_

Title \_\_\_\_\_ Phone Number (\_\_\_\_) \_\_\_\_\_

Name of Employer or Financial Institution \_\_\_\_\_

Address \_\_\_\_\_  
Street City State Zip*Note: Checks should be made payable to "Tennessee Consolidated Retirement System FBO [member's name and SSN]".***Tennessee Consolidated Retirement System**

Prior Service Section

10th Floor Andrew Jackson State Office Building

Nashville, Tennessee 37243-0233

(615) 741-4868

[www.treasury.state.tn.us/tcrs](http://www.treasury.state.tn.us/tcrs)



## 500 REFUND

### 501 Employee Classifications.

- A. Contributory Member. A member whose total retirement contributions are deducted from his salary.
- B. Contributory Member Covered By 414(h) of the Internal Revenue Code. The contributions are deducted from a member's salary on a tax deferred basis.
- C. Noncontributory Member. A member whose employer assumes retirement contributions of up to 5% of his earnable compensation.
  1. Noncontributory Member With Refundability. A member whose individual retirement account is credited with employer assumed employee contributions because he was employed in a covered position immediately prior to and on the date the noncontributory retirement provisions went into effect.
  2. Noncontributory Member Without Refundability. A member whose individual retirement account is not credited with employer assumed employee contributions because he was not employed in a covered position on the date the noncontributory provisions went into effect.

### 502 **Refund of Accumulated Contributions.** Any member whose retirement account has been credited with contributions (either employee or employer assumed employee contributions) who terminates service is eligible to withdraw the funds in his retirement account by completing an Application for Refund of Accumulated Contributions. (Exhibit I)

The refund includes all of the contributions made by the member, the employer assumed employee contributions (in the case of a noncontributory member with refundability) plus interest. A member whose service began after the noncontributory provisions went into effect is not eligible for a refund because he does not have any contributions in his account.

By obtaining a refund, a member loses all rights and benefits in the retirement system. A new membership date will be assigned in the event a refunded member subsequently returns to service and becomes a TCRS member.

### 503 **Eligibility for a Refund.** A member who has contributions in his individual retirement account is eligible for a refund and may file a refund application (Exhibit I) upon termination of employment only if 1) employment has not been transferred from one agency covered by TCRS to another agency covered by the system; 2) membership has not been transferred to an optional retirement plan (ORP), which is sponsored by the State; and 3) retirement deductions are no longer being withheld by employers.

### 504 **Teacher Waiting Period.** There is a mandatory waiting period of four months beginning with the last day of teaching service before a teacher's refund can be made, unless one of the following conditions is met: (1) The teacher was dismissed due to budgetary problems of the employing board of education, or (2) The teacher was employed and actually worked and was paid on a continuous 12-month basis, or (3) The teacher has moved to a permanent residence outside the State of Tennessee.

If one or more of the above conditions apply, a TCRS "Waiver of Refund Waiting Period" form, obtained from the teacher's personnel officer or the Refund Section, should accompany the application and must be certified by the employer. The teacher should complete the refund application and waiver and mail both to the Refund Section at his earliest convenience (Exhibit II).

**505 Ineligible for a Refund.** There must be an actual termination of employment before a member is eligible for a refund of accumulated contributions. Members who go on maternity leave, authorized leaves of absence, or transfer employment from one agency to another are not eligible to file for a refund. Employment positions that do not require 12 months of service due to various reasons such as school closings, inclement weather, etc., are not eligible for refunds during the break in service. Employees who change from full-time to part-time are not eligible for a refund.

**506 Application for Refund of Accumulated Contributions.** The following are major mistakes that cause delay and return of the application to the member or employer for correction or completion:

- (A) The social security number is omitted or incorrect;
- (B) Form has not been signed. (NOTE: Member's signature is required on the notarization section.)
- (C) Employer certification is omitted. Certification is not needed if the member has been out of service at least two (2) months or more or four months for teachers.
- (D) Form has not been notarized.

The refund is mailed to the address furnished in the top section of the application. Should there be a change of address after the form has been sent to the retirement system, notify the Refund Section in writing as soon as possible to avoid additional delay. If it is necessary to contact the retirement system concerning the refund, furnish the full name, social security number, address, name of department and date of final contribution.

**507 Refund Process.** When the application for a refund is received by the retirement system, it is reviewed for completeness and correctness. The name, date of birth, social security number and other items are matched against the original information on the membership form. The application must be signed, notarized, and the certification by the employer completed. The application will be returned to either the employer or member if there is a problem concerning any item that cannot be resolved by the system.

If the member has accrued annual leave to carry him over into one or more pay periods, the application is held until the last contribution is received from the employer. Once the final contribution is received by the retirement system and the application is correct, the refund check should be mailed to the former employee within 10 working days if the four month waiting period does not apply. If the four month waiting period applies, the refund will be paid not less than four months following the cessation of service.

**508 Interest Computation.** On June 30 of each fiscal year, 5% of the previous June 30 balance is credited to each individual's retirement account. When a member terminates and withdraws his contributions, interest will be computed through the month of the refund.

**509 Warrant and Refund Statement.** The check for a refund of the member's accumulated contributions is mailed by the Department of Finance and Administration. TCRS will send a statement that indicates the taxable and nontaxable portions of the refund. (Exhibit III).

**510 Income Tax.**

- A. In accordance with IRS rules, TCRS is required to withhold 20% of the taxable portion of the refund for federal income tax unless the taxable portion is "rolled over" to an Individual Retirement Account (IRA) or other qualified retirement plan.
- B. Withholding tax is forwarded by the TCRS to the Internal Revenue Service. The total taxable amount of the refund is reported to the Service as taxable income of the member. When the

refund check is mailed to the member, a statement is also mailed which shows taxable and nontaxable amount and any withholding. This statement should be retained by the refunded member and filed with his annual tax return (Exhibit III).

- C. The Tennessee Consolidated Retirement System is a qualified plan under Internal Revenue Code Section 401(a). Because it is a qualified plan, any time there is a distribution of a member's account in the system, the taxable portion may be "rolled over" tax free to an IRA, or another qualified pension plan which accepts such "rollovers".

If a member wants to "roll over" his refund, he should select that option on the refund application. All of the taxable portion will be "rolled over" unless another amount is specified. The member must provide the name, address, and account number for the plan accepting the "roll over". When the refund is processed, the amount of the "roll over" will be made payable to the IRA or other pension plan. Any nontaxable contributions will be made payable to the member.

- 511 Death of an Active Member.** If a member dies in service or within 150 days after leaving service, the designated beneficiary or the estate will receive an amount equal to twice the accumulated account balance if no monthly benefit is payable. If death occurs more than 150 days after leaving service, only the accumulated account balance will be refunded to the designated beneficiary. If the beneficiary is deceased, the refund will be made payable to the deceased member's estate.

In the event the beneficiary is eligible for either a monthly benefit or a refund, the beneficiary may elect the death benefit. (See Section 618.) Upon notification of the death of a member, TCRS will mail to the designated beneficiary a letter requesting a copy of the death certificate and appropriate information from both the beneficiary and employer (Exhibit IV).

If the beneficiary is deceased or if the estate was designated as beneficiary, there must be a copy of the deceased beneficiary's death certificate and a copy of an appointment of an administrator or executor of the estate furnished to the retirement system so the refund can be made payable to the estate of the deceased member. If the amount made payable does not exceed \$10,000 and there are no other assets in the estate, the estate may be administered by affidavit in accordance with Tennessee's Small Estate Act (TCA, 30-4-101 et seq.).

Any death benefit due to someone under age 18 shall be made payable to the minor and sent in care of his guardian. In most cases, a father or mother is the natural guardian of the minor for amounts less than \$2,500. In all other cases, a guardian will need to be appointed by the court or the minor must wait until he attains his eighteenth birthday to receive the funds.

- 512 Death of an Active Member with Multiple Beneficiaries.** A member may designate his estate, an institution or more than one person as his beneficiary. Careful consideration should be given to the election as it limits payment to a lump sum benefit only. If more than one beneficiary is named, the amount payable would be divided equally among the designated beneficiaries. If the spouse is among the multiple beneficiaries named, he/she will have the option for a monthly benefit if eligible.

- 513 Loss of Membership.** Any member who has acquired vested rights in the retirement system has the option of leaving contributions in the system and drawing monthly benefits at retirement age. Any member who has not acquired vested rights may leave his contributions in the system for a maximum of seven years at which time he loses membership and must be refunded.

- 514 Refund of Incorrect Contributions.** Any time a member is refunded more or less than the amount of contributions he should have received, an adjustment must be made. If additional contributions are due, another refund check will be issued. If the former member has been overpaid, he must remit the

amount overpaid to the retirement system upon notification. The overpayment should be made in a lump sum.

**515 Borrowing, Attachment, Garnishment, or Assignment of Contributions.** Accumulated contributions of a member are not subject to voluntary or involuntary execution, attachment, garnishment or assignment except under the following conditions:

- A. The State may claim from a member's accumulated contributions any amounts owed to the state upon the member's termination from service and application for a refund. Any contributions remaining after satisfaction of the State's claim shall be paid to the member
- B. Under certain conditions, once a member has applied for a refund, claims made by the Internal Revenue Service, a Bankruptcy trustee, or for child support may be satisfied out of a member's refund.

In the event a claim is made to a member's contributions, an explanation of the claim will be included on the statement which accompanies the refund check.

**516 Lost or Destroyed Refund Checks.** When a refund check is lost or destroyed, notify the Refund Section so that a stop payment order can be placed on the check. TCRS will take proper steps to reissue the payment.

**517 Forged Refund Checks.** If at any time a former member has reason to believe his check for the refund of accumulated contributions has been forged, he should notify the Refund Section immediately. When the alleged forged check is returned by the bank, a copy showing the endorsement together with two affidavits (Exhibit VI) that are to be executed before a notary will be furnished to the former member. The former member will examine the endorsement and complete the affidavits, with both forms to be returned to the retirement system. These two forms will be furnished to the paying bank. If the bank agrees a forgery has occurred, the bank will reimburse the retirement system and another refund will be issued to this former member. If the bank does not agree that the signature on the check was forged, another refund will not be made.

#### **EXHIBIT I**

Application of Member for Refund of Accumulated Contributions

#### **EXHIBIT II**

Waiver of Refund Waiting Period for Teachers

#### **EXHIBIT III**

Statement of Withdrawal from the TCRS

#### **EXHIBIT IV**

Refund of Accumulated Contributions for Deceased Members

#### **EXHIBIT V**

Affidavit for Forged Warrants

## EXHIBIT I



**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
**10TH FLOOR ANDREW JACKSON BUILDING**  
**NASHVILLE, TN 37243-0235**

**APPLICATION OF MEMBER FOR REFUND OF ACCUMULATED CONTRIBUTIONS**

In order to qualify for a refund, a member must (1) have funds in TCRS, (2) no longer be employed by any employer covered by TCRS, and (3) complete this application and return it to TCRS at the above address. Be sure to read the income tax information on the back of this page and in the Special Tax Notice Regarding Plan Payments before completing your application.

<b>I. CERTIFICATION BY MEMBER</b> (To be filled out by the member)			
Social Security Number _____		Date of Birth _____	
Employer (Dept., County, City or Institution) _____			
Name (Last, First, Maiden and Middle Name) _____			
Street Address _____		City _____ State _____	
Zip Code _____	Area Code/Telephone Number _____	Enrollment Date _____	Termination Date _____
Employed as: <input type="checkbox"/> Teacher <input type="checkbox"/> General Employee <input type="checkbox"/> Other (Specify): _____			
<b>II. NOTICE OF WITHHOLDING ON REFUNDS/DIRECT TRANSFER TO ANOTHER RETIREMENT PLAN</b>			
All refunds issued directly to former members of TCRS are subject to federal income tax withholding at a rate of 20% of the taxable portion of the refund. However, the taxable portion of the refund may be transferred directly from TCRS to a traditional IRA or other retirement plan, with the nontaxable portion (if any) being refunded directly to you. If you choose to have the taxable portion transferred directly to an IRA or other retirement plan, the distribution will not be taxable and federal income tax will not be withheld.			
Check one box: <input type="checkbox"/> I want the entire refund issued directly to me. (20% of the taxable portion will be withheld for federal income tax.)			
<input type="checkbox"/> I want my refund transferred directly to the IRA or retirement plan listed below. (The non-taxable portion of my balance, <u>if any exists</u> , will be mailed directly to you at the above address.) (Complete Section III.)			
<input type="checkbox"/> I want \$_____ of the taxable portion of my refund transferred directly to the IRA or retirement plan listed below and the remainder issued to me. (Complete Section III.)			
<b>III. CERTIFICATION BY PLAN OR IRA ACCEPTING DIRECT TRANSFER</b> (Must be completed by plan which will receive direct transfer if you have requested that all or part of your refund be transferred directly to another plan or to a traditional IRA.)			
I agree to accept a direct transfer of the taxable portion of the refund due to the above named individual. I certify that the plan named below is eligible for a transfer from the Tennessee Consolidated Retirement System, a 401(a) plan.			
Name of Plan: _____ Telephone Number: (____) _____			
Contact Person and/or Account No: _____			
Address of Plan Administrator: _____			
Signature of Plan Administrator: _____ Type of Plan _____			
<b>IV. NOTARIZATION</b> (To be signed by member and witnessed by a Notary Public.)			
I hereby make application for the return of my contributions made to the Tennessee Consolidated Retirement System together with the interest credited thereon. I hereby waive for myself, my heirs and my beneficiary all my rights, title and interest in all funds under the care and control of the Retirement System. I understand that this election is <b>irrevocable</b> . I hereby waive the 30-day waiting period.			
I am aware that if I <b>DO NOT</b> withdraw my contributions, and not having acquired vesting rights, I will retain my status as a member of the Retirement System for seven years, and should I be reemployed within that period, I will retain my status as a member of the Retirement System, or having attained vesting rights, I may remain a member and elect to receive a monthly benefit at retirement age. I understand that if I <b>DO</b> withdraw my contribution, my membership in the Retirement System is terminated and if I am subsequently employed in a position requiring membership, I must enter the Retirement System with the status of a new member.			
I certify that the above information is complete and correct and that I understand my rights as a member of the Tennessee Consolidated Retirement System.			
Notary Seal _____		Signature of Member _____	
STATE OF _____, County of _____			
Personally appeared before me on this _____ day of _____, 20____ the within named _____			
_____, and makes oath that (he)/(she) executed the foregoing instrument.			
Notary Public Signature _____		My Commission Expires _____	
<b>V. CERTIFICATION BY EMPLOYER</b> (To be completed by employer. Please note: Do not complete if member has been out of work two months or more, or four months for teachers.)			
Political Subdivisions, Higher Education and State Departments not paid by Finance and Administration	Teachers	State Departments paid by Finance and Administration	
Dept. Code #: _____ • _____	Number of months this teacher works each year: (Check one)	Dept. Code #: _____ • _____	
Effective Date of Termination (Last Paid Day): ____/____/____	<input type="checkbox"/> Nine <input type="checkbox"/> Ten <input type="checkbox"/> Eleven <input type="checkbox"/> Twelve	Effective Date of Termination (Last Paid Day): ____/____/____	
This employee's final contribution will appear on the report for the month _____, 20____.	Dept. Code #: _____ • _____	This employee's final contribution will appear on the report for the month _____, 20____.	
(Allow for annual leave, if applicable.)	Effective Date of Termination (Last Paid Day): ____/____/____	(Allow for annual leave, if applicable.)	
Signature _____	Title _____	Date _____	Telephone # _____



## TCRS REFUND TAX INFORMATION

*The Tennessee Consolidated Retirement System is a qualified pension plan under Section 401(a) of the Internal Revenue Code. The following information is provided to highlight federal tax rules which may apply to your refund. Full tax information regarding refunds is contained in the IRS Special Tax Notice Regarding Plan Payments.*

### RECEIPT OF TAXABLE AND NONTAXABLE AMOUNTS

Your refund will consist of a taxable portion and possibly a nontaxable portion.

- The **nontaxable portion** is the amount of your previously taxed contributions (if any). If you have made any after-tax contributions to TCRS, this amount will be refunded to you tax free.
- The **taxable portion** includes any accumulated interest, employer contributions made on your behalf in lieu of employee contributions, and/or tax-deferred contributions made under the provisions of Section 414(h). The taxable portion of your refund may be taken in two ways. You may elect to have the taxable portion (1) transferred to another eligible retirement plan or an Individual Retirement Arrangement (IRA) in a direct rollover or, (2) paid to you. This choice will affect the tax you owe.

### WITHHOLDING ON TAXABLE PORTION OF REFUND

If you choose to have the taxable portion transferred directly to another eligible retirement plan or a traditional IRA, payment will be made directly to that plan and no income tax will be withheld. It is **required** that Section III of this application be completed and signed by the receiving plan administrator. Your tax liability will be postponed until you take the money out of the new plan. Payment cannot be rolled over into a ROTH IRA, SIMPLE IRA, EDUCATION IRA, or into a 457 plan established by a nongovernmental entity.

If you choose to have the taxable portion of your refund paid to you, TCRS is required by federal law to withhold 20% of the taxable portion in federal income taxes. This withholding amount will be sent to the IRS to be credited toward your income tax. If you choose to have the taxable portion of your refund paid to you, it may be subject to two separate taxes: ordinary income tax and an early distribution tax.

### ORDINARY INCOME TAX ON TAXABLE PORTION OF REFUND PAID TO YOU

Any taxable amount paid to you is includable in your gross income and taxed as ordinary income unless you use one or more of the following special tax treatments.

1. **Rollover:** You may make a tax-free "rollover" of the taxable portion of your refund to another retirement plan or to an Individual Retirement Account (IRA) **within 60 days** of the date you receive the refund. Your tax liability will then be postponed until you take the money out of the new plan. Since federal income taxes must be withheld from any payment issued to you, it may be more advantageous to arrange for a direct transfer. For more information, see IRS publication, *Individual Retirement Arrangements (IRAs)*.
2. **Capital Gains:** If you were born before January 1, 1936 and if your refund includes employee contributions made before Jan. 1, 1974, you may elect to use long-term capital gain tax treatment on a percentage of the taxable amount of this refund. To qualify, you must have participated in the plan for five years or longer. The percentage of the refund which is eligible for capital gains treatment is generally determined by dividing the months of participation before 1974 by the total months of participation. If you qualify, you may write to TCRS for information regarding the amount of your refund which may be given this treatment. For more information, see IRS publication 575, *Pension and Annuity Income* and IRS form 4972.
3. **Forward Averaging:** If you were born before January 1, 1936, you may be eligible to treat the taxable portion of your refund under the special forward averaging provisions of the tax code. To qualify, you must also have participated in the plan for five years or longer. For more information, see IRS publication 575, *Pension and Annuity Income* and IRS form 4972.

### EARLY DISTRIBUTION TAX ON TAXABLE PORTION OF REFUND PAID TO YOU

Any taxable amount **paid to you** by TCRS is also subject to a separate 10 percent early distribution tax unless you qualify for one of the following exemptions:

1. **Rollover:** If you roll over the taxable portion of your refund, it will not be includable in gross income, and so it will not be subject to this tax.
2. **Age 59½:** If you are 59½ or older when you **receive the refund**, it is exempt from this early distribution tax.
3. **Age 55:** If you were 55 or older when you **separated from service**, your refund is exempt from this early distribution tax. (If you roll over your refund to another type of plan, this exemption will not later be available from that plan.)
4. **Disability:** If you are receiving the refund as a result of your disability and can provide proof of this to the IRS, it is exempt from this tax.
5. **Medical Expenses:** If you have certain medical expenses which exceed 7½% of your gross income this year, your refund may be exempt from this tax.

For more information, refer to *Taxes on TCRS Benefits* and *Special Tax Notice Regarding Plan Payments* at [www.treasury.state.tn.us/tcrs/p.htm](http://www.treasury.state.tn.us/tcrs/p.htm) on the Internet. Any additional questions concerning the taxability of payments from TCRS should be directed to the Internal Revenue Service at 1-800-829-1040.



**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
**10th Floor Andrew Jackson State Office Building**  
**Nashville, TN 37243-0235**

**WAIVER OF REFUND WAITING PERIOD FOR TEACHERS**

(Please type or print.)

This form is to accompany the Application of Member for Refund of Accumulated Contributions. Authorization for this request is found in *Tennessee Code Annotated*, Section 8-37-210(b). Amendment effective July 1, 1981. The teacher to be refunded should complete Section I or Section II. Employer **must** certify Section IV.

**I. TERMINATION FOR RELOCATION**

I, \_\_\_\_\_, hereby have voluntarily terminated my position as teacher with the \_\_\_\_\_ Board of Education effective \_\_\_\_\_. I will no longer be residing in the State of Tennessee and have not been re-employed nor will I seek employment in the near future with any employer covered by the Tennessee Consolidated Retirement System.

Signature: \_\_\_\_\_ SSN: \_\_\_\_\_

**II. TERMINATION FOR BUDGETARY REASONS**

I, \_\_\_\_\_, hereby have been terminated as teacher due to budgetary problems by the \_\_\_\_\_ Board of Education.

Signature: \_\_\_\_\_ SSN: \_\_\_\_\_

**III. TEACHER EMPLOYED AND PAID ON A CONTINUOUS TWELVE-MONTH BASIS**

I, \_\_\_\_\_, have been employed and paid on a continuous twelve-month basis as a teacher by the \_\_\_\_\_ Board of Education.

Signature: \_\_\_\_\_ SSN: \_\_\_\_\_

**IV. CERTIFICATION BY EMPLOYER**

I, \_\_\_\_\_, as \_\_\_\_\_ (Title) \_\_\_\_\_ (Institution), do certify that the above named person was employed by

this school system and has been/or will be terminated for reason as documented above on \_\_\_\_\_. (Date)

Signature \_\_\_\_\_ Telephone Number \_\_\_\_\_ Date \_\_\_\_\_

If the teacher does not meet the conditions under Section I, Section II or Section III, he or she will not be refunded less than four (4) months following cessation of service in accordance with *Tennessee Code Annotated*, Section 8-37-210(b). No refund will be made to a qualifying teacher until that teacher's final retirement contribution is received and credited to his or her account.

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM  
10TH FLOOR ANDREW JACKSON BUILDING  
NASHVILLE, TN 37243-0235  
615-741-4925**

**STATEMENT OF WITHDRAWAL FROM THE TCRS**

John Doe  
123 Maple Street  
Shelbyville, TN 37160

Date: June 14, 2005

**REFUND DETAIL:**

Total Gross Refund:	\$272.72
Less Direct Rollover	(0.00)
Less Federal Income Tax	(54.54)
Net Refund to Member:	\$218.18

**TAXABLE AMOUNT REPORTED TO IRS:**

Pre-Tax Contributions and Interest:	\$272.72
Employer Death Benefit	0.00
Less Direct Rollover	(0.00)
Taxable Refund Amount:	\$272.72

DISTRIBUTION CODE 1

TCRS FEDERAL TAX ID # 62-6001445

**Receipt of this refund terminates all rights as a member of the Tennessee Consolidated Retirement System. Subsequent employment in a position covered by TCRS requires enrollment as a new member.**

Pre-tax contributions, interest and any death benefits will be reported to the Internal Revenue Service as taxable income. A 1099-R for the tax year in which this refund is received will be mailed to you by January 31st of the following year. You may wish to contact a tax advisor to determine your actual tax liability.

Within 30 days, a check will be mailed directly from the Department of Finance & Administration according to the payment instructions specified on your application.

TR-5194

Member SSN: 123-45-7689





## TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

10th Floor Andrew Jackson State Office Building

Nashville, TN 37243-0235 - (615) 741-4925

## CLAIM FORM FOR REFUND OF ACCUMULATED CONTRIBUTIONS FOR DECEASED MEMBERS

*Be sure to read the income tax information on the next page before completing this claim form.***I. Member Information - (Attach member's certified death certificate.)**

Name of Deceased Member \_\_\_\_\_ Member's Social Security # \_\_\_\_\_  
 Member's Date of Birth \_\_\_\_\_ Member's Date of Death \_\_\_\_\_

**II. Claimant Information - (If claimant is a court-appointed executor or administrator, attach a copy of the appointment.)**

Name of Claimant \_\_\_\_\_ Relationship to Deceased \_\_\_\_\_  
 Claimant's Social Security # \_\_\_\_\_ Claimant's Date of Birth \_\_\_\_\_  
 Address of Claimant \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone Number of Claimant \_\_\_\_\_

☐ The beneficiary on record, \_\_\_\_\_, is also deceased. (Please attach a copy of the beneficiary's death certificate.)  
*Insurance benefits are not available for persons completing the claim form for refund of accumulated contributions.*

**III. Notarization**

State of \_\_\_\_\_ County of \_\_\_\_\_ On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
 personally appeared before me the above named individual, \_\_\_\_\_ and made oath  
 that the answers by (him/her) shown above are true to the best of (his/her) knowledge.

Signature of Claimant \_\_\_\_\_ Notary Public \_\_\_\_\_  
 Notary Seal \_\_\_\_\_ My Commission Expires: \_\_\_\_\_

**IV. Notice of Withholding Rules for Non-Spouse**

Under federal law, a refund issued to a non-spouse beneficiary is subject to federal tax withholding at a rate of 10% of the taxable portion of the refund unless the beneficiary elects to have no taxes withheld or elects to have the taxable portion of the refund transferred directly from TCRS to an IRA (Individual Retirement Account).

If you are **not** the member's spouse, check one box: ☐ I elect to have 10% of the taxable portion withheld.  
☐ I elect to have no taxes withheld.  
☐ I elect to have the taxable portion of the refund transferred directly to an IRA or the retirement plan listed below.

**V. Notice of Federal Income Tax Withholding Rules for Spouse and Spouse's Right to Transfer to an IRA or Retirement Plan.**

A refund issued to the member's spouse is subject to federal tax withholding at a rate of 20% of the taxable portion of the refund. However, if the member's spouse is named as beneficiary, the taxable portion of the refund received by the spouse may be transferred directly from TCRS to an IRA (Individual Retirement Account), with the nontaxable portion (if any) paid directly to the spouse. If the spouse chooses to have the taxable portion transferred directly, the distribution will not be taxable and federal income tax will not be withheld.

If you **are** the member's spouse, check one box:

☐ I want the entire refund issued directly to me. (20% of the taxable portion will be withheld.)  
☐ I want the taxable portion of the refund transferred directly to the IRA or retirement plan listed below.  
☐ I want \$\_\_\_\_\_ of the refund transferred directly to the IRA or retirement plan listed below and the remainder issued to me.

**VI. Certification by IRA or Plan Accepting Direct Transfer - (Must be completed by plan which will receive transfer.)**

I agree to accept a direct transfer of the taxable portion of the refund due to the above named spouse. I certify that the plan named below is eligible to receive a transfer from the Tennessee Consolidated Retirement System, which is a 401(a) plan.

Name and Address of IRA or Plan Administrator \_\_\_\_\_  
 Signature \_\_\_\_\_ Type of Plan \_\_\_\_\_ Phone No. \_\_\_\_\_

**VII. Employer Certification**

Department \_\_\_\_\_ Last Paid Date \_\_\_\_\_ Date of Last Active Service \_\_\_\_\_  
 Signature \_\_\_\_\_ Date \_\_\_\_\_  
 Title \_\_\_\_\_ Telephone Number \_\_\_\_\_

**TCRS REFUND TAX INFORMATION**

*The Tennessee Consolidated Retirement System is a qualified pension plan under Section 401(a) of the Internal Revenue Code. The following information is provided to highlight federal tax rules which may apply to this refund. Full tax information regarding refunds is contained in the IRS Special Tax Notice Regarding Plan Payments.*

**RECEIPT OF TAXABLE AND NONTAXABLE AMOUNTS**

The refund will consist of a taxable portion and possibly a nontaxable portion.

- The **nontaxable portion** is the amount of the member's previously taxed contributions (if any). If the member made any after-tax contributions to TCRS, this amount will be refunded tax free.
- The **taxable portion** includes any accumulated interest, employer contributions made on the member's behalf in lieu of employee contributions, and/or tax-deferred contributions made under the provisions of Section 414(h). If you are the member's spouse, the taxable portion of the refund may be taken in two ways. You may elect to have the taxable portion (1) transferred to another retirement plan or an Individual Retirement Arrangement (IRA) in a direct rollover or, (2) paid to you. This choice will affect the tax you owe.

**WITHHOLDING ON TAXABLE PORTION OF REFUND**

**If the member was your spouse**—If you elect to have the taxable portion transferred directly to another retirement plan or an IRA, payment will be made directly to that plan and no income tax will be withheld. Your tax liability will be postponed until you take the money out of that plan. It is **required** that Section VI of this application be completed and signed by the plan administrator.

**If the member was not your spouse**—Under federal law, you may elect (1) to have no federal income taxes withheld from your payment, (2) to have 10 percent of the taxable portion withheld, or (3) to have the taxable portion transferred directly to an IRA or another retirement plan. An election to have no taxes withheld should be made carefully, since you may be subject to tax penalties if your estimated tax payments and withholding during the year are not sufficient to meet federal requirements.

**ORDINARY INCOME TAX ON TAXABLE PORTION OF REFUND PAID TO YOU**

Any taxable amount paid to you is includable in your gross income and taxed as ordinary income unless you use one or more of the following special tax treatments.

1. **Rollover:** If you are the member's spouse, you may make a tax-free “rollover” of the taxable portion of this refund to another retirement plan or to an Individual Retirement Account (IRA) **within 60 days** of the date you receive the refund. Your tax liability will then be postponed until you take the money out of the new plan. Since federal income taxes must be withheld from any payment issued to you, it may be more advantageous to arrange for a direct transfer. For more information, see IRS publication, *Individual Retirement Arrangements (IRAs)*.
2. **Capital Gains:** If the member was born before January 1, 1936 and if the refund includes employee contributions made before January 1, 1974, you may elect to use long-term capital gain tax treatment on a percentage of the taxable amount of this refund. The member must have participated in the plan for five years or longer. The percentage of the refund which is eligible for capital gains treatment is generally determined by dividing the member's months of participation before 1974 by the total months of participation. For more information, see IRS publication 575, *Pension and Annuity Income* and IRS form 4972.
3. **Forward Averaging:** If the member was born before January 1, 1936, the taxable portion of this refund may qualify for the special forward averaging provisions of the tax code. The member must have participated in the plan for five years or longer. For more information, see IRS publication 575, *Pension and Annuity Income* and IRS form 4972.

**EARLY DISTRIBUTION TAX ON TAXABLE PORTION OF REFUND PAID TO YOU**

Any refund received on behalf of a TCRS member who died is exempt from the separate 10 percent early distribution tax.

*Any additional questions concerning the taxability of payments from TCRS should be directed to the Internal Revenue Service at 1-800-829-1040.*

## EXHIBIT V

## AFFIDAVIT FOR FORGED WARRANTS

(Sent to Individuals)

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Personally appeared before me, \_\_\_\_\_ a Notary Public in and for the afore-  
 (Name of Notary)  
 said County and State, \_\_\_\_\_, who makes oath in due form of Law,  
 deposes and says:

"That I have examined a warrant drawn by the Treasurer of the State of Tennessee, Commissioner of  
 Finance and Administration, Payable Warrant No. \_\_\_\_\_, dated \_\_\_\_\_, in  
 the amount of \$ \_\_\_\_\_, which was issued to me by the \_\_\_\_\_  
 \_\_\_\_\_.

I find that I did not endorse the check, nor have I authorized my name thereon, nor have I received  
 the total amount of the proceeds derived from the negotiation of said warrant. The endorsement of my  
 name on this warrant, therefore, is a forgery."

Signed \_\_\_\_\_

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at

\_\_\_\_\_  
(City and State)\_\_\_\_\_  
(Notary Public)\_\_\_\_\_  
(My Commission Expires)

Seal

TR-5202

## 600 RETIREMENT BENEFITS

- 601 Eligibility for Service Retirement.** Any vested member in Group I shall be eligible for full service retirement upon reaching age 60 or completing 30 years of service. Employees who became members before July 1, 1979 acquire vested rights after four years of creditable service. State employees who become members after July 1, 1979, may acquire vesting after five years. Participating political subdivisions must pass a resolution authorizing five-year vesting; otherwise, vesting rights are acquired after 10 years.
- 602 Computing Benefits for Service Retirement for Group I Members.** The formula for computing monthly benefits consists of the average of the member's five highest consecutive years of salary, years of creditable service, and the social security integration level. For example, a member 60 years of age, retiring in 2008 with 30 years of service and with an average of the five highest consecutive years of salary of \$52,000 will be eligible for a maximum monthly retirement benefit of \$2,049.

### Sample Calculation

Assumptions							Years of Service	
Member	-	Age 60	Step 1	.0150	x	<u>AFC</u> \$52,000	x	30 = \$23,400
Beneficiary	-	Age 60						
Service	-	30 years	Step 2*	.0025	x	<u>AFC - SSIL</u> \$400	x	30 = + 30
AFC	-	\$52,000						Annual TCRS Benefit \$23,430
SSIL (2008)	-	\$51,600						÷ 12
								Monthly TCRS Benefit \$ 1,952
								Benefit Improvement Percentage** x 1.05
								Maximum Monthly Benefit \$ 2,049
<p>* If the member's AFC does not exceed the SSIL in the year the member retires, this step is omitted from the benefit calculation.</p> <p>** Benefit Improvement Percentage is optional to local government employers.</p>								

- 603 Social Security Integration Level (SSIL)** means, for the calendar year in which the member retires, the average annual amount of salary for which social security would be provided (rounded to the nearest multiple of \$600) based on an employee age 65 who is earning an amount equal to the social security wage base.

The Social Security Integration level applicable to the calendar year in which retirement occurs shall be as follows:

Calendar Year	Social Security Integration Level
2008	\$51,600
2009 (projected)	\$54,000

**604 Actuarial Equivalent.** Any teacher or general employee who remains in service after age 65 may receive the greater of a service retirement allowance or the actuarial equivalent of the benefit payable at age 65. The actuarial equivalent is determined by tables provided by the actuary and any option selected will be based on the member's and beneficiary's actual ages on the date of retirement. This benefit is optional for political subdivisions and shall not be effective unless approved by the chief governing body.

**605 Minimum Retirement Allowance, Group I.** There are two minimum benefit rates for Group I retirees. These rates are determined by the number of years of creditable service.

If a member has less than 10 years of service, the monthly benefit rate is \$7 for each year of service.

EXAMPLE: A member age 60 retiring with nine years of service would receive  $\$7 \times \text{nine years} = \$63$  per month.

If a member has 10 years or more of service, the monthly benefit rate is \$8 for each year of service.

EXAMPLE: A member age 60 retiring with 10 years of service would receive  $\$8 \times 10 \text{ years} = \$80$  per month.

Benefits payable under the minimum retirement allowance before reductions cannot exceed 100% of the member's average final compensation.

The minimum benefit for political subdivision employees will be \$7 per month per year of service unless the governing body has passed a resolution to pay the \$8 minimum benefit prior to May 15th of any given calendar year.

**606 Early Service Retirement for Group I Members.** Any member who has attained age 55 and vested is eligible for an early service retirement allowance. Benefits are computed in the same manner as a service retirement allowance except there is a permanent reduction of .4% for each month the member's date of early retirement precedes his service retirement date. For the purpose of determining an early service retirement allowance, the reduction factor most favorable to the member is used.

The requirement for a normal service retirement allowance is that a member be age 60 or have 30 years of service. If a member retires on an early service retirement at age 59 with 20 years of service, benefits would be computed as if the member were retiring one year early based on his age, rather than on his years of service since this would provide the member with a larger benefit. The same would hold true if the member were 58 with 29 years of service. Retirement benefits would be reduced by one year of service rather than by two years on age.

**607 Early Service Retirement Reduction Factors.** The early service retirement benefits are reduced to the following percentages of service retirement allowance:

1 year early	95.2%
2 years early	90.4%
3 years early	85.6%
4 years early	80.8%
5 years early	76.0%

### Sample Calculation

Assumptions							Years of Service		
Member	- Age 55	Step 1	.0150	x	<u>AFC</u> \$52,000	x	25	=	\$19,500
Service	- 25 years								
AFC	- \$52,000	Step 2*	.0025	x	<u>AFC - SSIL</u> \$400	x	25	=	+ 25
SSIL (2008)	- \$51,600								
					Subtotal				\$19,525
									÷ 12
					Subtotal				\$ 1,627
					**Reduction Factor			x	.7600
					Monthly TCRS Benefit				\$ 1,236
					Benefit Improvement Percentage***			x	1.05
					Maximum Monthly Benefit				\$ 1,298
<p>* If the member's AFC does not exceed the SSIL in the year the member retires, this step is omitted from the benefit calculation.</p> <p>** The benefit is reduced 4/10 percent for each month the member retires early. The reduction factor is calculated from service or age requirements (whichever the member is closest to meeting) in order to give the member the best benefit.</p> <p>*** Benefit Improvement Percentage is optional to local government employers.</p>									

**608 Retirement**

- A. Vested Retirement. Upon reaching age 55, a vested member with less than 10 years of service is eligible for a vested retirement allowance. The member's benefit is reduced for early retirement as set out in Section 607. In addition, his vested benefits shall be limited to the following percentages of an early service retirement allowance:

5 years	25%
6 years	40%
7 years	55%
8 years	70%
9 years	85%
10 years	100%

Example: A member age 56 with eight years of service and an average final compensation of \$30,000 would draw a monthly retirement benefit of \$178.16.

$$.015 \times \$30,000 = \$450 \times 8 \text{ yrs. of service} = \$3,600 \div 12 = \$300$$

\$300.00

x 80.80% Early retirement reduction (age reduction)

\$242.40

x 70.00% Vested retirement reduction

\$169.68

x 1.05 Benefit Improvement Percentage

\$178.16

Prior to becoming vested, members are not eligible for any retirement benefits. Applicable to political subdivision employees only if resolution is passed.

- B. 25-Year Retirement. A member may retire prior to age 55 upon attaining 25 years of creditable service. In this situation, the member's benefit will be the actuarial equivalent of the benefit computation for early service retirement that the member could have received at age 55.

The following example shows the formula used for computing the TCRS retirement allowance for a member with 25 years of service. The example uses a 50-year-old member retiring in 2008 five years before his service retirement date.



## Sample Calculation

Assumptions							
Member	-	Age 50	.0150	x	<u>AFC</u> \$52,000	x	<u>Years of Service</u> 25 = \$19,500
Service	-	25 years					
AFC	-	\$52,000	.0025	x	<u>AFC - SSIL</u> \$400	x	<u>Years of Service</u> 25 = + 25
SSIL (2008)	-	\$51,600					
					Subtotal (AFC - SSIL)		\$19,525
							÷ 12
					Subtotal		\$ 1,627
					** Reduction Factor		x .7600
					Subtotal		\$ 1,236
					Actuarial Age Factor		x .6267
					Monthly TCRS Benefit		\$ 774
					Benefit Improvement Percentage***		x 1.05
					Monthly TCRS Benefit		\$ 813

**Note: State employees and teachers are eligible at any age upon the completion of 25 to 29 years, 11 months of service. Twenty-five year early retirement is optional to local government employers.**

\* If the member's AFC does not exceed the SSIL in the year in which the member retires, this step is omitted from the benefit calculation.

\*\* There are two reductions on this benefit:

1. One based on service credit, and
2. One based on the actuarial factor for the member's age on the date of retirement.

Examples of the actuarial factors are:

Age 54 - 90.88	Age 50 - 62.67
Age 53 - 82.69	Age 49 - 57.25
Age 52 - 75.31	Age 48 - 52.35
Age 51 - 68.67	Age 47 - 47.90

\*\*\* Benefit Improvement Percentage is optional to local government employers.

Political subdivisions must pass a resolution authorizing this provision unless the political subdivision's date of participation is July 1, 1985 or after in which case this provision is automatically a part of the plan.

**609 Ordinary Disability Retirement Qualifications.** Any member in Group I who has five years of service is eligible for an ordinary disability benefit provided the same disability did not exist prior to becoming a member. He must be disabled prior to termination of service and the medical panel must agree the member is totally and permanently disabled. In addition, he must be unable to engage in any substantial gainful activity as the result of a mental or physical impairment which can be expected to last for a continuous period of not less than 12 months.

- A. Ordinary Disability Retirement Allowance. An ordinary disability retirement allowance is computed as set out for service retirement for Group I members (See Sections 602 and 605). Disability retirement benefits computed under Section 602 will be limited to 90% of the retirement allowance. If the member has reached the conditions of service retirement (age 60 or 30 years of service), benefits are computed under the normal service retirement provisions.
- B. Projected Years Under the Ordinary Disability Retirement Allowance. If a member of Group I qualifies for a disability benefit under the ordinary disability provision with less than 20 years of service, his benefits are computed as though he had 20 years of service. However, the projected years cannot exceed what the member would have earned in his own right had he remained in service to age 60. For example, if the member is age 50 with five years of service, his benefits would be computed on 15 years of service because he would have earned only 10 additional years had he remained in service from age 50 to age 60.

This example shows the formula method used for computing an ordinary disability allowance. The example uses a disabled member who retires under the maximum plan in 2005 with 10 years of actual service and 10 years of projected service.

### Sample Calculation

		<u>AFC</u>		<u>Years of Service</u>		
Step 1	.0150	x	\$52,000	x	20	= \$15,600
		<u>AFC - SSIL</u>		<u>Years of Service</u>		
Step 2*	.0025	x	\$400	x	20	= + 20
						\$15,620
Disability Factor						x .9
Annual Disability Benefit						\$14,058
						12
Monthly TCRS Benefit						\$ 1,171
Benefit Improvement Percentage**						x 1.05
Maximum Monthly Benefit						\$ 1,230

**610 Filing for an Ordinary Disability Retirement Allowance.** Upon request by the member, the retirement system will furnish the member an Application for Retirement, a Statement of Disability to be completed by the member, Attending Physician's Report of Disability, and Vocational History Form (all forms Exhibit II). The Application for Retirement, the Statement of Disability, and the Vocational History form should be mailed together directly to the retirement system. The Attending Physician's Report should be mailed by the physician to the retirement system.

TCRS may accept an approval by the Social Security Administration for disability benefits **ONLY** if disability benefits were awarded on the initial request or reconsideration. If you are waiting for a decision by Social Security, apply for TCRS benefits now as a delay in applying may result in a loss of TCRS benefits. If TCRS benefits are awarded based on a Social Security decision, you must submit a copy of your entire Social Security file used to make their decision within twelve (12) months of your approval for TCRS benefits.

If a member waits for several months after termination of service before filing for a disability retirement allowance, evidence must be submitted to document that the disability existed prior to termination of service. If contributions have been withdrawn prior to filing for a disability retirement allowance, the retirement system will not pay any benefits.

**611 Processing Application for Disability.** Upon receipt of the Application for Retirement, the Statement of Disability, Vocational History and the Attending Physician's Report, the latter three are furnished to the Medical Panel. If the Medical Panel finds the member disabled, a recommendation to the fact will be made to the retirement system and the member will be placed on disability retirement. An employer should not advise an employee to terminate his employment prior to the TCRS Medical Panel ruling that the applicant is, in fact, disabled and eligible to receive disability benefits.

**612 Disability Appeal.** An applicant who is denied disability benefits may request that his case be reconsidered if he has new medical evidence to support his request. No case will be reconsidered without medical evidence which was not included in the original application. The member must submit medical information for reconsideration within 90 days from the date his disability request was denied.

If the applicant cannot produce new evidence and he still wishes to appeal the original decision or if the decision is reconsidered and subsequently denied, he may appeal the decision to the Director of the Division of Retirement. If the member is later denied by the Director, he may request a hearing before the TCRS Board of Trustees. A hearing before the Board of Trustees to appeal the denial of disability benefits is the member's final administrative remedy. If the member is still not satisfied with the decision, his only remaining course of action is to seek relief through civil proceedings.

**613 Accidental Disability.** A member who becomes totally and permanently disabled as the result of an accident or physical violence against his person, occurring while in the performance of duty without negligence on his part, may be retired on an accidental disability retirement allowance. The member must apply for this benefit and must be recommended by the Medical Panel and the Board of Trustees for a disability allowance. In addition to completing the forms required for ordinary disability retirement, an accidental disability retirement applicant must also file a Report of Accidental Disability (Exhibit III).

For those members joining the TCRS prior to 7/1/97, the benefit shall equal one-half of the member's average final compensation divided by 12 to determine the monthly retirement allowance. If the member receives a social security disability benefit or attains age 62, his retirement allowance from this system is reduced to one-third of his average final compensation. For those members joining the TCRS after 7/1/97, the benefit shall be calculated the same as ordinary disability (609 B).

**614 Worker's Compensation - Board of Claims.** A member receiving disability retirement benefits and Worker's Compensation or any payment from the State Board of Claims, will have his benefits limited so that the total benefits payable do not exceed 75% of his average final compensation. Compensation includes any payments except those made for hospital or medical expenses. Any lump-sum payment shall be prorated over the appropriate period of time.

- 615 Income After Disability Retirement.** Annually every member who retired on a disability benefit and who has not reached the conditions of a normal service retirement shall be required to submit a report of annual earnings other than those from retirement or social security. The law provides that if a disability retiree is engaged in substantial gainful employment, his monthly benefit will be suspended. Work which results in earning \$9,960 per year (or \$830 per month) will be considered substantial gainful employment.
- 616 Medical Examination after Retirement.** A disability retiree is subject to a medical reevaluation on an annual basis until he reaches age 60. The retired member will be responsible for submitting current medical evidence to substantiate a continuous disabling condition.
- 617 Retirement Options.** When a member retires, a benefit plan must be selected. The member may select the regular plan or select a reduced plan (I-IV) to provide the beneficiary with a lifetime monthly benefit at the member's death. Only one person may be named as beneficiary under the options. If an optional payment plan is selected, the regular plan will be reduced to an actuarially determined percentage based on the ages, at retirement, of the retiree and the beneficiary. The member has 30 days from the date of his notice of retirement letter to change benefit plans. After 30 days, the benefit election is irrevocable.
- A. Regular or Maximum Plan. Maximum monthly benefits are paid to the member for life, with all monthly benefits ceasing at death. The designated beneficiary is entitled to a lump-sum payment of any remaining contributions which had been made by the member and which were not returned to the member in the form of retirement benefits.
  - B. Option I-100% Joint and Survivor. A reduced retirement allowance payable during the retired member's life, with the provision that it will continue after his death for the life of, and to, his designated beneficiary.
  - C. Option II-50% Joint and Survivor. A reduced retirement allowance payable during the retired member's life, with the provision that it will continue after his death at one-half the rate paid to him and be paid for the life of, and to, his designated beneficiary.
  - D. Option III-Modification of Option I. A reduced retirement allowance payable during the retired member's life with the provision that it will continue after his death for the life of, and to, his designated beneficiary. If the designated beneficiary dies before the retiree, the retirement allowance will revert to the maximum amount.
  - E. Option IV-Modification of Option II. A reduced retirement allowance payable during the retired member's life, with the provision that it will continue after his death at one-half the rate paid to him and be paid for the life of, and to, his designated beneficiary. If the designated beneficiary dies before the retiree, the retirement allowance will revert to the maximum amount.
  - F. Social Security Leveling Plan. The Social Security Leveling Plan is available to members who retire prior to age 62 and who have Social Security coverage through TCRS. This plan provides an increased benefit so that the member's benefit before and after age 62 is approximately the same amount. Under the leveling plan, the member receives an increased benefit from TCRS until age 62. This increase is based on an estimate of benefits from the Social Security Administration. After age 62, the member's benefit from TCRS is reduced by the estimated Social Security benefit. The reduced TCRS benefit plus the member's Social Security benefit should equal the benefit the member was receiving prior to age 62. **If a member chooses the Social Security Leveling Plan, he should also apply for his Social Security at the appropriate time as selection of this plan does not affect Social Security.**

## Sample Calculation

Assumptions		TCRS Benefit Amount	
Member	- Age 55	Estimated Social Security Benefit	\$ 900
Service	- 30 years	Actuarial Age Factor Based on Age at Retirement	x .512972
Social Security Estimated Benefit at Age 62	- \$ 900	Subtotal	\$ 461
TCRS Monthly Benefit Under Regular Plan	- \$ 2,049	TCRS Regular Monthly Benefit	\$ 2,049
AFC	- \$52,000	Benefit Payable up to Age 62	\$ 2,510
		Estimated Social Security Benefit at Age 62	- 900
		Benefit Payable After Age 62	\$ 1,610
Examples of SSL Actuarial Factors		Monthly Benefit Amount Before Age 62	
Age 54	- .468838	Paid from TCRS	\$ 2,510
Age 55	- .512972	Paid from Social Security	0
Age 56	- .561916	Total	\$ 2,510
Age 57	- .616304	Monthly Benefit Amount After Age 62	
Age 58	- .676866	Paid from TCRS	\$ 1,610
Age 59	- .744447	Paid from Social Security	\$ 900
Age 60	- .820030	Total	\$ 2,510
Age 61	- .904765		
<ol style="list-style-type: none"> <li>1. This optional plan is available to any member with social security coverage through TCRS who retires prior to age 62.</li> <li>2. In order for TCRS to figure this benefit, you must provide TCRS with an estimate from the Social Security Administration based on retirement at age 62. The Social Security Leveling Plan does not affect your social security benefits.</li> <li>3. In order to start your social security benefit, you must file an application with the Social Security Administration. For information on social security, call 1-800-772-1213.</li> </ol>			

**618 Lump Sum Death Benefits.** Upon the death of a member prior to retirement, the designated beneficiary will receive a lump sum refund of the member's accumulated contributions and interest. If the member was in active membership service or within 150 days of his last paid day of service at the time of his death (provided he had not retired or been refunded), the designated beneficiary



may receive a double refund of this accumulated balance. If the member had designated multiple beneficiaries, the amount payable would be divided equally among the beneficiaries.

**619 Monthly Annuity Death Benefits.** In lieu of the benefit described in Section 618, the designated beneficiary may be entitled to one of several special in service death benefits. In service is defined as death occurring within 150 days of the last paid date, and the member had not retired or been refunded. Multiple beneficiaries are not eligible for benefits under this section. They are only eligible for the benefit described in Section 618.

A. State Employees and Teachers

1. Automatic Option I - An Automatic Option I monthly benefit is available upon the death of a member in Group I who dies in service provided that at the time of his death he has 10 years of creditable service and the spouse is the designated beneficiary.
2. Accidental Death Benefit - If the death of a teacher or state employee in Group I or Group III is determined to be the natural and proximate result of an accident or was occasioned as the direct result of physical violence against his person while in the actual performance of duty, an annuity equal to one-half his average final compensation may be payable in lieu of the above. This benefit is payable to the surviving spouse. If there is no surviving spouse, the benefit is divided among the minor children until majority status is attained. Medical evidence must conclusively document that the accident occurred in the actual performance of duty.
3. Monthly Annuity Death Benefit - This benefit provides that upon the death of a member in service who has completed 10 years of creditable service, a retirement allowance shall be paid to the named beneficiary. This benefit may be elected in lieu of any other benefit to which the beneficiary may be entitled to receive. This monthly benefit is determined by converting the amount of the lump sum refund into a monthly annuity payable over a period of 120 months (10 years). In the event the beneficiary dies prior to receiving all the benefits, a lump-sum payment shall be made to the estate equal to the actuarial equivalent of the monthly benefit due over the remaining months in the 10-year period.
4. In Service Option I - This benefit provides that upon the death of a member who has reached eligibility for early or service retirement and has named one person as beneficiary, a retirement allowance under Option I shall be paid to the designated beneficiary. The In Service Option I provides for the designation of any beneficiary to receive the largest monthly benefit of the options payable upon the death of a member.

B. Political Subdivision Employees

1. Automatic Option I - An Automatic Option I monthly benefit is available upon the death of a member in Group I who dies in service provided that at the time of his death he has 10 years of creditable service and the spouse is the designated beneficiary. This spousal benefit is optional for participating political subdivisions. Political subdivisions whose date of TCRS participation is prior to July 1, 1983 must pass a resolution authorizing this benefit. Political subdivisions whose date of participation is July 1, 1983 or after automatically provide this optional death benefit to their employees.
2. Monthly Annuity Death Benefit - This benefit provides that upon the death of a member in service who has completed 10 years of creditable service, a retirement allowance shall be paid to the named beneficiary. This benefit may be elected in lieu of any other benefit to which the beneficiary may be entitled to receive. This monthly benefit is determined by converting the amount of the lump sum refund into a monthly annuity payable over a

period of 120 months (10 years). In the event the beneficiary dies prior to receiving all the benefits, a lump-sum payment shall be made to the estate equal to the actuarial equivalent of the monthly benefit due over the remaining months in the 10-year period.

3. In Service Option I - This benefit provides that upon the death of a member who has reached eligibility for early or service retirement and has named one person as beneficiary, a retirement allowance under Option I shall be paid to the designated beneficiary. The In Service Option I provides for the designation of any beneficiary to receive the largest monthly benefit of the options payable upon the death of a member.

- C. The monthly retirement allowance payable under the provisions outlined above will be effective on the day the death occurs or the date the deceased member's annual leave is exhausted; whichever is later. The Automatic Option I benefit is reduced .4% for each month a member's death precedes his service retirement date.

**620 Estimate of Benefits.** Upon request from any employee, an estimate of future benefits will be provided if the following information is furnished:

- A. Full name and current address;
- B. Social security number;
- C. Estimated date of retirement;
- D. Present annual salary;
- E. Date of birth;
- F. Name and date of birth of the person selected as a beneficiary to calculate the optional benefit plans.

**621 Completion of the Application for Retirement.** The member must complete all applicable spaces on the front page of the retirement application and execute it before a notary public. The Application for Retirement (Exhibit IV) must be completed on the back by the last employer.

If the member has accrued compensatory time or annual leave at the time of his termination, he may elect to have such leave extended on the payroll or paid in a lump sum. The date of retirement becomes effective the day all leave is terminated. If the lump sum is selected, no contributions are deducted or reported to TCRS.

The application for retirement should not be submitted to the retirement system more than 150 days prior to the effective date of retirement. An application can be backdated 150 days from the date received by the retirement office as long as the effective date of retirement follows the date of his separation from service.

Example: If a member terminates June 30 and waits until November 28 to file an application, benefits will be retroactive to July 1.

If a member terminates June 30 and files an application June 30, benefits will begin July 1.

TCRS will acknowledge all retirement applications upon receipt. Any member who does not receive an acknowledgment within two weeks of filing with the TCRS should notify our office. The member will also receive a notice of retirement letter (Exhibit V) when the benefit is added to the retired payroll.



- 622 Garnishment, Attachment or Assignment of Contributions or Benefits.** Retirement allowance and accumulated contributions of a member are not subject to voluntary or involuntary execution, attachment, garnishment, or assignment except under the following conditions:
- A. The state may claim from the member's accumulated contributions any amounts owed to the state upon the member's termination from service. Any remaining contributions upon satisfaction of the state's claim, shall be paid to the member;
  - B. Any member who is found to owe money to the state upon retirement and who elects a monthly benefit shall have his debt satisfied from his monthly benefit; and,
  - C. Under certain conditions, claims for child support may be satisfied.
- 623 Overpayment and Underpayment.** The law governing the retirement system requires that any error which results in a member or beneficiary receiving more or less than he is entitled to receive must be corrected and adjusted accordingly. If an overpayment is made, this amount must be reimbursed to the system. The amount should be paid in a lump sum. Individual circumstances, however, will be taken into consideration.
- 624 Reemployment of a Retiree.** Should any retiree be reemployed in a position covered by the TCRS, his retirement allowance shall be discontinued. Upon the return to service, a noncontributory member is automatically covered; however, a contributory member has the choice of becoming a member again and accruing additional creditable service or he may elect not to participate. If he does not elect to participate, he must complete a Notice of Non-Election Waiver of Right to Participate, which waives all rights to claim any retirement credit for such periods of reemployment. This form must be executed before a notary public and returned to the TCRS.
- If he elects to participate, he must complete a Membership Form. This form must also be executed before a notary public and returned to the Membership Section. (See Exhibit I in Chapter 200.) Return under a contractual relationship is generally a return to employment that does not circumvent the return to service provisions.
- Upon subsequent retirement, if he remains in service for three years or more, these years of service are added to the years earned prior to retirement and benefits are recomputed. He again is eligible to select an option. If he does not remain in service for as much as three years, his benefits are computed on the years of service earned after returning to service and added to the original benefit. The original option stays in effect. **It is recommended that the employer contact the Benefits Section prior to reemployment of a TCRS retiree.**
- 625 Employment of a Retired General State Employee by a Political Subdivision.** A retired general state employee with a retirement date on or before December 31, 2005 may accept employment with a political subdivision without loss or suspension of retirement benefits under the following conditions:
- A. The retirement benefits received by the retired state employee shall not include compensation for any disability; and
  - B. The retired state employee shall not be eligible to accrue additional retirement benefits as a result of employment with the political subdivision.
- 626 Temporary Employment.** (See Exhibit VI) Any retired member of the TCRS, except those receiving a disability retirement allowance, may return to service in a position covered by this system and continue to draw his retirement allowance under the following conditions:

- A. Employment may not exceed 120 days or the equivalent thereof in a 12 month period.
- B. Retirees employed as teachers by an institution of higher education are limited to 24 quarter hours or 18 semester credit hours.
- C. The entire compensation payable to the retiree for such work should not be more than sixty percent (60%) of the annual full-time salary received by the member in the year immediately prior to retirement. This limit on salary increases by five percent (5%) for each year since the member's retirement.

When the retiree begins temporary employment, he and the employer must complete the temporary employment form and send it to the TCRS. The TCRS must be notified by letter when the retiree's temporary employment reaches the 120 day limit and/or when employment is terminated to avoid possible overpayment or suspension of the monthly benefit. A new form must be completed for each 12 month period.

- 627 Limited Re-Employment for Teachers.** Anyone retired from TCRS for one (1) year may accept employment as a K-12 teacher without loss of benefits. The superintendent of schools must certify to TCRS that no other qualified persons are available to fill the position. The Commissioner of Education must certify that the school system serves an area that lacks qualified teachers. The retiree will not receive additional retirement credit for this service. The salary paid to the retiree must not exceed eighty-five percent (85%) of the salary paid by the school system to teachers with comparable training and experience. The retiree must be appointed for this work on a year-by-year basis. Retirees who return to work under this condition must complete the Limited Re-Employment of Retired Teachers form (Exhibit VIII).

#### **EXHIBIT I**

Schedule of Estimated Benefits for those Group I Members who Retire in 2008

#### **EXHIBIT II**

- A. Statement of Disability by the Member
- B. Attending Physician's Report of Disability
- C. Vocational History

#### **EXHIBIT III**

Report of Accidental Disability

#### **EXHIBIT IV**

Application for Retirement

#### **EXHIBIT V**

Notice of Retirement Letter

#### **EXHIBIT VI**

Temporary Employment Form

#### **EXHIBIT VII**

Notice of Non-election Waiver of Right to Participate

#### **EXHIBIT VIII**

Limited Re-Employment of Retired Teachers

Schedule of Group I Estimated Monthly Benefits for 2008.  
Based on Retirement At Age 60 or After 30 Years of Service  
Social Security Integration Level: \$51,600  
Includes 5% Benefit Improvement

Average Salary	5 Yrs.	10 Yrs.	15 Yrs.	20 Yrs.	25 Yrs.	30 Yrs.	35 Yrs.
\$ 15,000	\$ 98	\$ 197	\$ 295	\$ 394	\$ 492	\$ 591	\$ 689
16,000	105	210	315	420	525	630	735
17,000	112	223	335	446	558	669	781
18,000	118	236	354	473	591	709	827
19,000	125	249	374	499	623	748	873
20,000	131	263	394	525	656	788	919
21,000	138	276	413	551	689	827	965
22,000	144	289	433	578	722	866	1,011
23,000	151	302	453	604	755	906	1,057
24,000	158	315	473	630	788	945	1,103
25,000	164	328	492	656	820	984	1,148
26,000	171	341	512	683	853	1,024	1,194
27,000	177	354	532	709	886	1,063	1,240
28,000	184	368	551	735	919	1,103	1,286
29,000	190	381	571	761	952	1,142	1,332
30,000	197	394	591	788	984	1,181	1,378
31,000	203	407	610	814	1,017	1,221	1,424
32,000	210	420	630	840	1,050	1,260	1,470
33,000	217	433	650	866	1,083	1,299	1,516
34,000	223	446	669	893	1,116	1,339	1,562
35,000	230	459	689	919	1,148	1,378	1,608
36,000	236	473	709	945	1,181	1,418	1,654
37,000	243	486	728	971	1,214	1,457	1,700
38,000	249	499	748	998	1,247	1,496	1,746
39,000	256	512	768	1,024	1,280	1,536	1,792
40,000	263	525	788	1,050	1,313	1,575	1,838
41,000	269	538	807	1,076	1,345	1,614	1,883
42,000	276	551	827	1,103	1,378	1,654	1,929
43,000	282	564	847	1,129	1,411	1,693	1,975
44,000	289	578	866	1,155	1,444	1,733	2,021
45,000	295	591	886	1,181	1,477	1,772	2,067
46,000	302	604	906	1,208	1,509	1,811	2,113
47,000	308	617	925	1,234	1,542	1,851	2,159
48,000	315	630	945	1,260	1,575	1,890	2,205
49,000	322	643	965	1,286	1,608	1,929	2,251
50,000	328	656	984	1,313	1,641	1,969	2,297
55,000	365	729	1,094	1,459	1,823	2,188	2,553
60,000	403	806	1,209	1,612	2,015	2,418	2,821
65,000	441	882	1,324	1,765	2,206	2,647	3,089
70,000	480	959	1,439	1,918	2,398	2,877	3,357
75,000	518	1,036	1,553	2,071	2,589	3,107	3,624
80,000	556	1,112	1,668	2,224	2,780	3,336	3,892
85,000	594	1,189	1,783	2,377	2,972	3,566	4,160
90,000	633	1,265	1,898	2,531	3,163	3,796	4,428
95,000	671	1,342	2,013	2,684	3,355	4,025	4,696
100,000	709	1,418	2,128	2,837	3,546	4,255	4,964

Schedule of Group I Estimated Monthly Benefits for 2008  
Based on Retirement at Age 60 or After 30 Years of Service  
Social Security Integration Level: \$51,600  
Does Not Include 5 % Benefit Improvement

Average Salary	5 Yrs.	10 Yrs.	15 Yrs.	20 Yrs.	25 Yrs.	30 Yrs.	35 Yrs.
\$ 15,000	\$ 94	\$ 188	\$ 281	\$ 375	\$ 469	\$ 563	\$ 656
16,000	100	200	300	400	500	600	700
17,000	106	213	319	425	531	638	744
18,000	113	225	338	450	563	675	788
19,000	119	238	356	475	594	713	831
20,000	125	250	375	500	625	750	875
21,000	131	263	394	525	656	788	919
22,000	138	275	413	550	688	825	963
23,000	144	288	431	575	719	863	1,006
24,000	150	300	450	600	750	900	1,050
25,000	156	313	469	625	781	938	1,094
26,000	163	325	488	650	813	975	1,138
27,000	169	338	506	675	844	1,013	1,181
28,000	175	350	525	700	875	1,050	1,225
29,000	181	363	544	725	906	1,088	1,269
30,000	188	375	563	750	938	1,125	1,313
31,000	194	388	581	775	969	1,163	1,356
32,000	200	400	600	800	1,000	1,200	1,400
33,000	206	413	619	825	1,031	1,238	1,444
34,000	213	425	638	850	1,063	1,275	1,488
35,000	219	438	656	875	1,094	1,313	1,531
36,000	225	450	675	900	1,125	1,350	1,575
37,000	231	463	694	925	1,156	1,388	1,619
38,000	238	475	713	950	1,188	1,425	1,663
39,000	244	488	731	975	1,219	1,463	1,706
40,000	250	500	750	1,000	1,250	1,500	1,750
41,000	256	513	769	1,025	1,281	1,538	1,794
42,000	263	525	788	1,050	1,313	1,575	1,838
43,000	269	538	806	1,075	1,344	1,613	1,881
44,000	275	550	825	1,100	1,375	1,650	1,925
45,000	281	563	844	1,125	1,406	1,688	1,969
46,000	288	575	863	1,150	1,438	1,725	2,013
47,000	294	588	881	1,175	1,469	1,763	2,056
48,000	300	600	900	1,200	1,500	1,800	2,100
49,000	306	613	919	1,225	1,531	1,838	2,144
50,000	313	625	938	1,250	1,563	1,875	2,188
55,000	347	695	1,042	1,389	1,736	2,084	2,431
60,000	384	768	1,151	1,535	1,919	2,303	2,686
65,000	420	840	1,261	1,681	2,101	2,521	2,941
70,000	457	913	1,370	1,827	2,283	2,740	3,197
75,000	493	986	1,479	1,973	2,466	2,959	3,452
80,000	530	1,059	1,589	2,118	2,648	3,178	3,707
85,000	566	1,132	1,698	2,264	2,830	3,396	3,962
90,000	603	1,205	1,808	2,410	3,013	3,615	4,218
95,000	639	1,278	1,917	2,556	3,195	3,834	4,473
100,000	675	1,351	2,026	2,702	3,377	4,053	4,728

2008 Group I Schedule Estimated Monthly Benefits at Age 55 Social Security Integration Level: \$51,600 Includes 5% Benefit Improvement					2008 Group I Schedule Estimated Monthly Benefits at Age 55 Social Security Integration Level: \$51,600 Does Not Include 5% Benefit Improvement				
Average Salary	10 Yrs.	15 Yrs.	20 Yrs.	25 Yrs.	Average Salary	10 Yrs.	15 Yrs.	20 Yrs.	25 Yrs.
\$ 15,000	\$150	\$224	\$299	\$374	\$ 15,000	\$ 143	\$ 214	\$ 285	\$ 356
16,000	160	239	319	399	16,000	152	228	304	380
17,000	170	254	339	424	17,000	162	242	323	404
18,000	180	269	359	449	18,000	171	257	342	428
19,000	190	284	379	474	19,000	181	271	361	451
20,000	200	299	399	499	20,000	190	285	380	475
21,000	209	314	419	524	21,000	200	299	399	499
22,000	219	329	439	549	22,000	209	314	418	523
23,000	229	344	459	574	23,000	219	328	437	546
24,000	239	359	479	599	24,000	228	342	456	570
25,000	249	374	499	623	25,000	238	356	475	594
26,000	259	389	519	648	26,000	247	371	494	618
27,000	269	404	539	673	27,000	257	385	513	641
28,000	279	419	559	698	28,000	266	399	532	665
29,000	289	434	579	723	29,000	276	413	551	689
30,000	299	449	599	748	30,000	285	428	570	713
31,000	309	464	618	773	31,000	295	442	589	736
32,000	319	479	638	798	32,000	304	456	608	760
33,000	329	494	658	823	33,000	314	470	627	784
34,000	339	509	678	848	34,000	323	485	646	808
35,000	349	524	698	873	35,000	333	499	665	831
36,000	359	539	718	898	36,000	342	513	684	855
37,000	369	554	738	923	37,000	352	527	703	879
38,000	379	569	758	948	38,000	361	542	722	903
39,000	389	584	778	973	39,000	371	556	741	926
40,000	399	599	798	998	40,000	380	570	760	950
41,000	409	613	818	1,022	41,000	390	584	779	974
42,000	419	628	838	1,047	42,000	399	599	798	998
43,000	429	643	858	1,072	43,000	409	613	817	1,021
44,000	439	658	878	1,097	44,000	418	627	836	1,045
45,000	449	673	898	1,122	45,000	428	641	855	1,069
46,000	459	688	918	1,147	46,000	437	656	874	1,093
47,000	469	703	938	1,172	47,000	447	670	893	1,116
48,000	479	718	958	1,197	48,000	456	684	912	1,140
49,000	489	733	978	1,222	49,000	466	698	931	1,164
50,000	499	748	998	1,247	50,000	475	713	950	1,188
55,000	554	831	1,109	1,386	55,000	528	792	1,056	1,320
60,000	612	919	1,225	1,531	60,000	583	875	1,167	1,458
65,000	671	1,006	1,341	1,677	65,000	639	958	1,277	1,597
70,000	729	1,093	1,458	1,822	70,000	694	1,041	1,388	1,735
75,000	787	1,181	1,574	1,968	75,000	750	1,124	1,499	1,874
80,000	845	1,268	1,690	2,113	80,000	805	1,207	1,610	2,012
85,000	903	1,355	1,807	2,259	85,000	860	1,291	1,721	2,151
90,000	962	1,442	1,923	2,404	90,000	916	1,374	1,832	2,290
95,000	1,020	1,530	2,040	2,549	95,000	971	1,457	1,942	2,428
100,000	1,078	1,617	2,156	2,695	100,000	1,027	1,540	2,053	2,567

## EXHIBIT IIA



**Tennessee Consolidated Retirement System**  
 10th Floor Andrew Jackson Building  
 Nashville, TN 37243-0233  
 (615) 741-1971



## STATEMENT OF DISABILITY

1. Social Security Number:	2. Name of Applicant As It Appears On Payroll:		
	First:	Middle:	Last:
3. Address: Street	City	State	Zip Code
4. Name of Employer:	5. Title of Position:		

6. In the space provided below, please state your disability and the reason it prevents you from working:

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7. List any physician(s) who has treated you for your disability in the past year. If necessary, list additional physicians on the back of this form.

<u>Full Name of Physician / Specialty:</u>	<u>Address:</u>	<u>Phone #:</u>
<i>Example: Joan O. Heart (Cardiologist)</i>	<i>123 Right Ventricle Ave., Nashville, TN 01234</i>	<i>615-123-4567</i>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

8. Have you applied to the Social Security Administration for disability benefits? ☐ Yes ☐ No  
 If approved, please attach a copy of the Social Security Award letter which states your approval for benefits and your date of disability.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



**Tennessee Consolidated Retirement System**  
**10th Floor, Andrew Jackson Office Building, Nashville, Tennessee 37243-0230**

**Attending Physician's Report of Disability\***

*\*Attention applicant and physician:*

1. This is an authorization requested by the applicant in order that discussion of any and all information concerning the applicant's disability may be freely given to the TCRS.
2. The expense of furnishing this information must be paid by the applicant.
3. In addition to the completion of this form, the physician is requested to attach all office notes, hospital summaries, test results and any other medical information available.

<b>Part I - To be filled in and signed by applicant.</b>			
1. Applicant's Name: (last)		(first)	(middle)
2. Address: (street)		(city)	(state) (zip)
3. Applicant's Signature:		4. Social Security #:	
5. Name of Physician:	6. Address: (street) (city) (state) (zip)		

<b>Part II - To be completed by physician, psychiatrist, or psychologist.</b>			
1a. Current Height: Feet Inches		1b. Current Weight: Pounds	
2. You were first consulted in present illness: (month)		(day)	(year)
		/	/
3a. You are now attending the applicant:		( ) Yes	( ) No
3b. If not, state why:			
<i>Diagnosis</i>			
4. Primary impairments:			
5. Secondary impairments:			
<b>Complete <i>only</i> the parts that are applicable. Give results or description.</b>			
<i>Musculoskeletal System</i>			
6. X-ray findings:			
7. Limitation of motion and the degree:			
8. Comment on history of pain, swelling and stiffness:			
<i>Respiratory System</i>			
9. Chest x-ray findings:			
10. Pulmonary function/arterial blood/gas studies:			
11. In the case of pulmonary tuberculosis, provide sputum culture results:			
12. Cyanosis/dyspnea:			



<b>Part II cont'd- To be completed by <i>physician</i>.</b>	
<i>Cardiovascular System</i>	
13. EKG's/enzyme studies:	
14. Blood pressure readings:	
15. Chest x-ray, including cardio-thoracic ratio:	
16. Chest pain and medication used to relieve pain:	
17. Edema, pigmentation, cyanosis or ulceration:	
18. End-organ damage as a result of hypertension:	
19. Indicate New York Heart Classification:	
<i>Mental Disorders</i>	
20. Impairment of memory, judgement/ability to perform calculations:	
21. Reduction in daily activities, interests, personal habits and ability to relate to others:	
22. Ability to relate to and communicate with supervisors and co-workers in a work situation: ( ) Yes ( ) No Explain:	
<i>Hearing</i>	
23. Results of audiological evaluation (with hearing aid):	
<i>Visual</i>	
24. Best corrected visual acuity and visual fields:	
<i>Digestive</i>	
25. Liver studies, x-ray findings, endoscopy/barium enema studies, weight loss:	
<i>Genito-Urinary</i>	
26. BUN/creatinine clearance, report of dialysis treatment:	
<i>Hemic and Lymphatic</i>	
27. Complete blood count:	
<i>Endocrine</i>	
28. Diabetes, evidence of neuropathy, acidosis, amputations/opthalmological changes:	
<i>Neurological</i>	
29. EEG and describe motor limitations:	
<i>Neoplasms</i>	
30. Biopsy and operative reports, severity and extent of lesion:	
<i>Prognosis</i>	
31a. Based on your recommended treatment, give degree of improvement that can reasonably be anticipated along with approximate period of time required to achieve this improvement:	
31b. The impairment has or is expected to last 12 continuous months: ( ) Yes ( ) No	
32. The impairment prevents performance of past work: ( ) Yes ( ) No	
33a. The impairment prevents engagement in all other gainful employment: ( ) Yes ( ) No	
33b. If not, indicate type of work the applicant is capable of performing: ( ) Heavy ( ) Medium ( ) Light ( ) Sedentary	
34. Include any hospitalization records, including discharge summary:	
35. Signature:	36. Date:



**Tennessee Consolidated Retirement System**  
 10th Floor Andrew Jackson Building  
 Nashville, TN 37243-0233  
 (615) 741-1971




### Vocational History

Social Security Number: \_\_\_\_\_

1. Name: Last		First	Middle
2a. Date of Birth	Mo.	Day / Yr. /	2b. Age
3. Highest grade completed in school:			
4a. Additional training		<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. If yes, give description			
5. Type of work performed for the greatest length of time			
6a. Employer			
b. Job title			
c. Year started		Year ended	
d. Length of time to learn job			
e. Types of machines operated			
f. Manual labor involved ( <i>describe in terms of objects lifted or carried and weight</i> )			
g. You supervised other employees			
<input type="checkbox"/> Yes		<input type="checkbox"/> No	
h. In your words, describe your work during a typical day			
7. List and briefly describe any other jobs you have had in the past 15 years			

## EXHIBIT III

<b>REPORT OF ACCIDENTAL DISABILITY</b>	<b>TENNESSEE CONSOLIDATED RETIREMENT SYSTEM</b> 10th Floor Andrew Jackson State Office Building Nashville, Tennessee 37243-0230	
<b>PART I—TO BE COMPLETED BY APPLICANT—Type or Print Legibly in Black Ink</b>		
1. Social Security Number _____ - _____ - _____		2. Birthdate _____/_____/_____ Month Day Year
3. Name Last First Middle Maiden		4. Sex <input type="checkbox"/> Male <input type="checkbox"/> Female
5. Home Address Street City State Zip Code		
6. (Was) Employed By (Dept. County, City, or Institution)		7. Title or Position
8. Office Address Street City State Zip Code		
9. Exact location where injury occurred		
10. Your duties require you to be at this location <input type="checkbox"/> Yes <input type="checkbox"/> No		11. You left work on day of injury <input type="checkbox"/> Yes <input type="checkbox"/> No
12. If not, state when incapacity began _____/_____/_____ Month Day Year		13. When injured _____/_____/_____ Time Month Day Year
14. Name Machine, tool or other appliance with which injury occurred		15. Describe injury and how it happened in detail USE REVERSE FOR EXPLANATION
16. State when employer was first notified _____/_____/_____ Month Day Year		17. Name of person notified
18. Notified person's position		19. Immediate supervisor of injured person
20. Name the body part that was injured		21. Give nature of injury
22. Probable length of disability		23. Name of physician who treated injury
24. Office Address Street City State Zip Code		
State of Tennessee—County of _____ Signature of Applicant _____  Personally appeared before me the within named _____ makes oath that he or she truthfully answered the foregoing instrument, this _____ day of _____, 20 _____.  Notary Seal Notary Public _____ My Commission Expires: _____		
<b>PART II—TO BE COMPLETED BY EMPLOYER</b>		1. Position held by employee when injured
2. Employee was engaged in this occupation when injured <input type="checkbox"/> Yes <input type="checkbox"/> No		3. If not, why.
4. Injury was caused by (check if yes) <input type="checkbox"/> Willful misconduct <input type="checkbox"/> Intoxication <input type="checkbox"/> Intentional self-infliction <input type="checkbox"/> Failure or refusal to use safety equipment		
5. When employer was first notified _____/_____/_____ Time Month Day Year		6. Name the body part that was injured
7. Monthly salary on date of injury \$ _____	8. Basis for payment Hourly <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Yearly	
9. Employee will be on leave without pay during disability <input type="checkbox"/> Yes <input type="checkbox"/> No		
10. Give any relative knowledge of injury		
11. Supervisor's Signature		12. Name of Department, County, City or Institution

Describe the injury and how it happened in detail

**Dear Member:**

This is your application for disability retirement. Please read all directions carefully before completing the attached form.

**I. When to File an Application for Disability Retirement**

Your application for disability retirement should be forwarded to TCRS 60 – 90 days prior to your last paid day of service. The last paid day of service is either your last day of employment or the last day for which you are paid annual, sick leave, and/or sick leave bank. However, your application cannot be filed more than 150 days prior to your last paid day of service.

**Appropriate forms for continuation of insurance and withholding of income tax should accompany your retirement application. Refer to State of Tennessee Group Insurance handbooks for eligibility requirements for continuation of insurance.**

**II. Directions for Completing Part I of the Disability Retirement Application**

- A. Please type or print (in black ink) all information.
- B. Please check the type of disability retirement desired. You must include the following forms:
  - 1. Statement of Disability
  - 2. Vocational History
  - 3. Medical Records Release Authorization
  - 4. Attending Physician's Report
  - 5. Report of Accidental Disability (if applicable)

Forms may be obtained from the TCRS office or on the Treasury Department website at [www.treasury.state.tn.us/tcrs](http://www.treasury.state.tn.us/tcrs).

**Medical and/or psychological documentation of total and permanent disability must accompany your application. This documentation includes office notes and summaries, hospital admission and discharge summaries, and test results. It is your responsibility to obtain this vital information.**

- C. Complete all requested information for Sections 1-8a. In Section 8, the date terminated is the last working day (including all annual and/or sick days) for which you are paid. The effective date of retirement is the day immediately following the last paid day, or the first day of eligibility for benefits. Payment will be made retroactive to your date of retirement provided that no benefit may become effective more than 150 days prior to receipt of the application in our office.
- D. Section 9 explains the benefit plans available. You must select one benefit plan.
- E. Designation of your beneficiary should be made in Section 10. If you select the Regular Plan, you may designate one individual or your estate as beneficiary. If you select Option I – IV, you must designate one individual as beneficiary. Proof of this beneficiary's birth date should be included. Your designated beneficiary must also sign the application in Section 10.
- F. Please attach a voided check in Section 11 or give us your savings account information. As required by State law, TCRS monthly benefits will be deposited directly to the checking or savings account indicated on your retirement application. Payments will be available on the last working day of each month. You will be notified in writing of any changes made to the amount of your net benefit. All correspondence and year-end statements will be mailed to your home address.
- G. Your application must be signed and notarized.

**III. Part II Must be Completed by Your Employer.**

Submit your notarized application to your employer to complete Part II. Upon completion, the application should be returned to the Tennessee Consolidated Retirement System. If you have been out of service for more than six (6) months, Items 1-3 of Part II do not need to be completed; however, unused sick days (Item 4) must be certified by your employer.

**IV. Acknowledgment**

All applications will be acknowledged by letter after we receive them. If you do not receive an acknowledgment within two (2) weeks, please contact our office.

**If you should return to employment on a part-time or full-time basis, you should contact the TCRS Disability staff for current earnings limitations.**

If you have any questions regarding your application for disability retirement, call (615) 253-8693 or write our office.

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
**10TH FLOOR ANDREW JACKSON STATE OFFICE BUILDING•NASHVILLE, TN 37243-0230**

**APPLICATION FOR DISABILITY RETIREMENT BENEFITS**

**PART I – TO BE COMPLETED BY APPLICANT (Type or print legibly in BLACK ink)**

Please check one: ☐ Ordinary Disability Retirement ☐ Accidental Disability Retirement (*on-the-job accident only*)

1. SOCIAL SECURITY NUMBER ____/____/____		2. BIRTHDATE: (Month/Day/Year) ____/____/____		3. SEX: <input type="checkbox"/> M <input type="checkbox"/> F	
4. NAME: LAST		FIRST		MIDDLE	
5. ADDRESS: STREET (rural route)		CITY		STATE	
6. PHONE NUMBER: ( ) ____-____		7. LAST EMPLOYER: Name of Department or Institution			
8. DATE EMPLOYMENT TERMINATED: (Month / Day / Year)		8a. EFFECTIVE DATE OF RETIREMENT: (Month / Day / Year)			
(Last paid work day or paid leave) ____/____/____		____/____/____			

9. I hereby select one of the following benefit plans. (check one)

- ☐ **REGULAR/MAXIMUM PLAN** - Monthly benefit payable to you for your life with all benefits ceasing at death. Any remaining balance of your accumulated contributions and interest will be paid to the surviving designated beneficiary in a lump sum.
- ☐ **OPTION I** - Monthly benefit reduced from the regular plan. In the event of your death, your designated beneficiary will receive monthly benefits equal to yours, for his or her life. Should your beneficiary die before you, your monthly allowance will remain the same.
- ☐ **OPTION II** - Monthly benefit reduced from the regular plan. In the event of your death, your designated beneficiary will receive fifty percent (50%) of your monthly benefit for his or her life. Should your beneficiary die before you, your monthly allowance will remain the same.
- ☐ **OPTION III** - Monthly benefit reduced from the regular plan. In the event of your death, your designated beneficiary will receive monthly benefits equal to yours, for his or her life. Should your beneficiary die before you, your allowance will revert to the amount you would have received under the regular plan.
- ☐ **OPTION IV** - Monthly benefit reduced from the regular plan. In the event of your death, your designated beneficiary will receive fifty percent (50%) of your monthly allowance for his or her life. Should your beneficiary die before you, your allowance will revert to the amount you would have received under the regular plan.

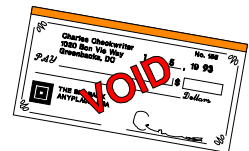
10. As beneficiary under the benefit plan selected above, I designate (*one individual or estate only*):

NAME: LAST		FIRST		MIDDLE		MAIDEN	
BIRTHDATE: (Month / Day / Year)		SEX: <input type="checkbox"/> M <input type="checkbox"/> F		RELATIONSHIP:			
____/____/____							
SIGNATURE OF BENEFICIARY:		BENEFICIARY'S SOCIAL SECURITY NUMBER:		DATE: (Month / Day / Year)			
____/____/____		____/____/____		____/____/____			

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11. Direct Deposit Information: (Direct deposit of pension benefits is required by State law.)

TCRS will deposit your monthly benefits directly to the bank account of your choice. **Tape a voided check in this area for direct deposit to your checking account.** If you want your benefit directly deposited into a savings account, complete the appropriate blanks below.



Savings Account # \_\_\_\_\_

Routing # \_\_\_\_\_  
 (Contact your financial institution for the correct routing number.)

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Appropriate forms for continuation of insurance (if eligible) and withholding of income tax should accompany your retirement application.

I hereby certify that I have carefully completed and truthfully answered all questions contained herein to the best of my knowledge and belief. I further certify that I understand if I obtain part-time or full-time employment with an agency covered by the Tennessee Consolidated Retirement System (TCRS), I am required to notify the Tennessee Consolidated Retirement System and my benefit will be suspended except as provided by Part 8, Chapter 36 of Title 8 Tennessee Code Annotated. I further understand that receipt of disability benefits is subject to earnings limitations even if the employer is not covered by the TCRS.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF MEMBER

STATE OF TENNESSEE, COUNTY OF \_\_\_\_\_

Personally appeared before me the within named \_\_\_\_\_ who makes oath that he (or she) executed the foregoing instrument. This \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(SEAL)

Notary Public \_\_\_\_\_

My Commission Expires \_\_\_\_\_

**PART II—TO BE COMPLETED BY SUPERINTENDENT OR PAYROLL/PERSONNEL OFFICER**

*(If member has been out of service for more than six (6) months, Part II does not need to be completed. However, unused sick days must be certified.)*

- Member's last paid day of service, annual leave, sick leave, or sick leave bank. \_\_\_\_\_  
MONTH DAY YEAR
- Please list individually all payrolls the employee will appear on for his last three (3) months of service. If any salaries are estimated, indicate by marking (EST) and provide actual payroll information as soon as possible. Any longevity payments or career ladder payments should be included and **itemized** in the final salary amounts as well as payments for sick leave, vacation, annual days, or bonus pay (if applicable).

BREAKDOWN OF FINAL SALARY				
Month	Payroll Period	Type of Payment	Amount	Employee Contributions

- Please indicate the total salary for the current year and the portion of the year the salary represents. If the current year is a partial year, also include the salary for the previous year.

Current fiscal year salary \_\_\_\_\_ Number of months included \_\_\_\_\_ Percentage Worked \_\_\_\_\_

Previous fiscal year salary \_\_\_\_\_ Number of months included \_\_\_\_\_ Percentage Worked \_\_\_\_\_

- Indicate if member worked and was paid on:

☐ Fiscal year July 1 - June 30

☐ Academic year September 1 - August 31

☐ Calendar year January 1 - December 31

☐ Other \_\_\_\_\_

- Certify the number of unused sick days member has remaining effective \_\_\_\_\_ . # of hours \_\_\_\_\_ or days \_\_\_\_\_  
(Month/Day/Year)

How many sick days did this employee accumulate on an annual basis? ☐ 9 ☐ 10 ☐ 11 ☐ 12

Signed \_\_\_\_\_  
Superintendent or Certifying Officer

Address \_\_\_\_\_

Department \_\_\_\_\_

Phone \_\_\_\_\_



STATE OF TENNESSEE



DALE SIMS  
STATE TREASURER

JILL BACHUS  
DIRECTOR

**TREASURY DEPARTMENT  
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

10<sup>TH</sup> FLOOR ANDREW JACKSON STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0230

January 1, 2008

Mr. John Doe  
123 Any Street  
123 Anytown, TN 37243

RE: Notice of Retirement Statement  
SSN: 000-00-0000

Dear Mr. Doe:

Your application for retirement from the Tennessee Consolidated Retirement System has been processed. You will receive your first payment within a few days or at the end of the month of your retirement date. This payment will be retroactive to your effective date of retirement. Enclosed is the information used to compute your monthly benefit.

After carefully reviewing this information, please complete and return the enclosed acknowledgment to our office within sixty (60) days. During this sixty (60) day period, you may change your retirement option if you so desire. If you do elect to change your retirement option, the new benefit amount will be retroactive to your effective date of retirement. Any change in your option selection may result in an overpayment or an underpayment of benefits. If you elect a survivorship option, no further changes will be permitted after the sixty (60) day period even if your relationship with your beneficiary changes (i.e. divorce), so please make your decision carefully. You should, however, notify the Tennessee Consolidated Retirement System in the event of divorce or death of your beneficiary. If you select the regular plan or the social security leveling plan, you can later change to a survivorship option by filing the proper notice with the retirement system and making the appropriate repayment of benefits.

Limited temporary employment is permitted after retirement without loss of benefits under certain conditions. Should you return (part time or full time) to work with any department covered by the Tennessee Consolidated Retirement System, you should contact the retirement system. Failure to report your return to service could result in an overpayment being made to you for which you will have to reimburse the retirement system.

If any of the information used to calculate your benefit is incorrect or if you misplace your check or fail to receive it, you should contact this office. When corresponding with this office, please include your social security number on all correspondence. A summary of your current payment is also displayed. Regular monthly benefit payments are issued the last working day of the month for that month. The funds are direct deposited to your bank account and are available for withdrawal on the last working day of the month.

If applicable, you will receive a separate notification regarding your insurance coverage. Questions regarding insurance should be directed to our insurance section toll-free at 1-877-681-0155.

If you have questions concerning withholding, change of address, death of a retiree or direct deposit, please contact our payroll office toll-free at 1-800-770-8277 or locally at (615) 741 4913. If your question concerns the benefit calculation, change of option plan, return to service, or an adjustment to your monthly benefit, please contact benefit services at (615) 741 4868.

TR-0278

Date: January 1, 2008  
 SSN: 000-00-0000  
 Name: John Doe

**Tennessee Consolidated Retirement System  
 10th Floor Andrew Jackson State Office Bldg.  
 Nashville, TN 37243 0232**

Please make your decision carefully. If you elect a survivorship option, no further changes will be permitted after the sixty (60) day period even if your relationship with your beneficiary changes (i.e. divorce). You should, however, notify the Tennessee Consolidated Retirement System in the event of divorce or death of your beneficiary. If you select the regular plan or the social security leveling plan, you can later change to a survivorship option by filing the proper notice with the retirement system and making the appropriate repayment of benefits.

If you change your option, the new benefit amount will be retroactive to your effective date of retirement. If the amount of your benefit under the new option results in an overpayment, the Tennessee Consolidated Retirement System will notify you of the cost to change your option. The new option will not be effective until the retirement office receives this payment. If the benefit amount under the new option results in an underpayment, an adjustment will be made retroactive to your date of retirement. This adjustment will be paid in a separate payment or will be added to the following month's retirement check.

I have read and understand the benefit information. I have reviewed the information used to compute my monthly allowance and the data is correct to the best of my knowledge. I understand that I have sixty (60) days from the date of this letter or the date of retirement, whichever is later, to change my plan of retirement if I so desire. I also understand that further changes may not be permitted after this time.

- (1) \_\_\_\_ I wish to change my option to \_\_\_\_\_
- (2) \_\_\_\_ I do not wish to change my option

\_\_\_\_\_  
 \*Beneficiary's Signature

\_\_\_\_\_  
 Member's Signature

\_\_\_\_\_  
 Date

STATE OF \_\_\_\_\_, County of \_\_\_\_\_

Personally appeared before me the within named \_\_\_\_\_ who makes oath  
 that he (or she) executed the foregoing instrument. This \_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_.

Notary Public \_\_\_\_\_

My Commission Expires \_\_\_\_\_

(SEAL)

**Notarization of Member's signature required only if number "1"  
 above is checked.**

\*If a different beneficiary is named than the one listed on the retirement application your option and the amounts payable under the other available options outlined in this letter will not be the same. If you do wish to change your beneficiary at this time a new calculation will need to be done based on the date of birth of the new beneficiary. Please contact TCRS Benefits Services at (615) 741-4868 for this information.

TR-0278

Date: January 1, 2008  
SSN: 000-00-0000  
Name: John Doe

### BENEFIT DATA

Listed below is the information used to calculate your monthly retirement benefit. The amounts payable under each available option are also included along with a description of each option. If you have multiple benefits, each benefit is listed separately.

#### Benefit 1 of 1

Effective Date of Retirement	January 31, 2008
Type of Retirement	State, Group 1, Class A
Creditable Service	26 years and 4 months
Average Salary	\$ xx,xxx.xx
Option Selected	Regular Plan

	<u>Regular</u>	<u>Option I</u>	<u>Option II</u>	<u>Option III</u>	<u>Option IV</u>
Member	\$x,xxx.xx	\$x,xxx.xx	\$x,xxx.xx	\$x,xxx.xx	\$x,xxx.xx
Surviving	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx	x,xxx.xx
Beneficiary					

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**OPTIONAL BENEFIT AMOUNTS DESCRIPTION** - Following is a description of the plans presently available to you.

**Regular Plan:** A maximum monthly benefit payable for your lifetime **with all benefits ceasing at your death**. Any remaining balance of accumulated contributions and interest would be paid to your beneficiary.

**Option I:** A benefit reduced from the regular plan with monthly benefits payable for your lifetime. In the event of your death, your designated beneficiary will receive monthly benefits equal to yours, for his or her lifetime.

**Option II:** A benefit reduced from the regular plan with monthly benefits payable for your lifetime. In the event of your death, your beneficiary will receive fifty percent (50%) of your monthly benefit for his or her lifetime.

**Option III:** A benefit reduced from the regular plan with monthly benefits payable for your lifetime. In the event of your death, your designated beneficiary will receive monthly benefits equal to yours, for his or her lifetime. Should your beneficiary die before you, your allowance will revert back to the amount you would have received under the regular plan.

**Option IV:** A benefit reduced from the regular plan with monthly benefits payable for your lifetime. In the event of your death, your beneficiary will receive fifty per cent (50%) of your monthly allowance for his or her lifetime. Should your beneficiary die before you, your allowance will revert back to the amount you would have received under the regular plan.

**Social Security Leveling:** An increased benefit until you reach age 62. After age 62 your benefit from the Tennessee Consolidated Retirement System will be reduced. At that time, you will also become eligible for Social Security benefits. This benefit will be payable to you for life **with all benefits ceasing at death**. Any remaining balance of your accumulated contributions and interest will be paid to the surviving designated beneficiary in a lump sum.

TR-0278

Date: January 1, 2008  
SSN: 000-00-0000  
Name: John Doe

#### OTHER DATA

Your Date of Birth: July 29, 1035

Your Beneficiary's:

Name: Jane Doe  
SSN: 000-00-0000  
Date of Birth: October 9, 1037  
Relationship to You: Spouse

Direct Deposit:

Type Account: Checking  
Account Number: 00-00000000  
Bank: Anytown Savings and Loan

Income Tax Withholding

Marital Status: M  
Exemptions: XX  
Additional Amount: \$XX,XXX.XX  
Total Withholding: \$XX,XXX.XX

Gross Monthly Payment: \$ X,XXX.XX  
Retroactive Adjustments:\* X,XXX.XX  
Projected Withholding:\*\* X,XXX.XX  
Insurance: X,XXX.XX

Projected First Payment\*\*\* \$ X,XXX.XX

\* The retroactive adjustment represents payment due from the date of retirement to the current payroll month. The adjustment may be positive (+) or negative (-) depending on the current payroll month. If the date of retirement is within the current month, the adjustment will be negative (-) since you are only due payment for part of the month. If the adjustment is positive (+), the first payment covers more than one month of benefits.

\*\* Withholding is computed on the gross amount at the time of payment. If a separate payment is made for any retroactive adjustment, the withholding amount will be recalculated.

\*\*\* The projected first payment amount includes all benefits due from your date of retirement through the current payroll month. You may receive all benefits due on the first payment issued to you or you may receive the positive (+) retroactive adjustment in a separate payment. This amount only reflects your first payment and may not represent your ongoing monthly benefit.



**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
**10th Floor Andrew Jackson Building**  
**Nashville, TN 37243-0235**



**TEMPORARY EMPLOYMENT REPORT**

**INSTRUCTIONS:** The retiree and proposed employer must complete and sign this form and return it to TCRS at the above address before the employment begins. It is the retiree's and the employer's responsibility to notify TCRS should employment exceed the allotted time period. Please read the following carefully, check the appropriate box in PART I, complete PART II and PART III, and, if applicable, complete the certification in PART IV or PART V.

**PART I: CONDITIONS OF TEMPORARY EMPLOYMENT** (To be checked by employer)

T.C.A., Section 8-36-805 permits a retired TCRS member to accept temporary employment with an employer participating in TCRS without suspension of retirement benefits provided the retired member has been retired 60 days and does not accrue additional retirement credit as a result of such employment.

- a. The 60-day period may be waived provided the member renders no more than one-half of the hours he or she was normally scheduled to work prior to retirement for a like period and the head of the employing entity certifies in writing (PART IV) to the division of retirement that no other qualified persons are available to fill the position. Once retired for more than 60 days, the remaining time may be allocated at full-time or used over the one year period.
- b. Compensation cannot exceed 60% of the retiree's final year's salary plus 5% compounded annually since retirement.
- c. Disability retirees are subject to a disability earnings limitation in addition to these limits on the number of days worked and salary. Please contact the TCRS disability section for details.

Please check one of the following:

- ☐ 1. The retired employee accepts employment as a teacher by an institution of higher learning for up to 24 quarter credit hours or 18 semester credit hours during a 12-month period and the total salary payable to such retired member during the period does not exceed the prorata share of average salary being paid at the institution in the specific academic discipline concerned.
- ☐ 2. The retired employee accepts employment as an adult education teacher by an institution for up to 120 days during a 12-month period and the total salary payable to such retired employee during the period does not exceed the prorata share of average salary being paid at the institution in the specific academic discipline concerned.
- ☐ 3. The retired employee accepts employment with a covered employer for up to 120 days during a 12-month period.
- ☐ 4. The retired employee has been employed as a substitute teacher in a public school system under exception number 3 above and agrees to continue such substitute teaching for an additional 90 days during the 12-month period. The compensation payable to the retired employee for such additional days does not exceed the rate set by the school system for substitute teachers filling similar vacant positions. **The Superintendent of the Public School System must complete the certification in PART IV.**
- ☐ 5. The higher education retired employee accepts an emeritus appointment not to exceed 120 days or teaching service not to exceed 24 quarter hours or 18 semester hours during a 12-month period. See PART V.

**Salary Limit Following Retirement**

(Final Year's Salary Multiplied by 1.05 Per Year Multiplied by 60%)

Year 1	63.00%	Year 3	69.46%	Year 5	76.58%
Year 2	66.15%	Year 4	72.93%	Year 6	80.41%

This table sets out the maximum compensation levels for the first six years. Since 120 days is 60% of a regular workload, these limits should be considered reasonable. The table should not be interpreted as setting the pay scale for a retiree who has accepted temporary employment. The actual pay can be lower than the limit.

**120-Day Conversion to Hours**

8 hours a day .....	960 hours a year
7½ hours a day .....	900 hours a year
7 hours a day .....	840 hours a year

**PART II: RETIREE INFORMATION** (To be completed by the retiree)

Social Security Number			Area Code - Telephone Number	
Name (Last)	(First)	(Maiden)	(Middle)	
Street Address		City and State		Zip Code

**CERTIFICATION BY RETIREE**

I hereby certify that I have read this form and understand my rights and limitations upon accepting temporary employment. Specifically, I am aware that should I accept such temporary employment, I will not be eligible to accrue additional retirement credit as a result of such service. Further, I am aware that should I exceed the applicable work and compensation limits set forth in **PART I** of this form, my retirement benefits will be suspended and adjusted to recover any overpayment which may occur. **I understand that the permitted employment period commences from the date my temporary employment begins.**

\_\_\_\_\_  
Signature of Retiree\_\_\_\_\_  
Social Security Number\_\_\_\_\_  
Date**PART III: TEMPORARY EMPLOYMENT INFORMATION** (To be completed by employer)

Number of Hours Worked per Day Prior to Retirement _____		Beginning Date of Employment _____	
Number of Hours to be Worked per Day after Retirement _____		for 12-Month Period _____	
Projected Maximum Compensation to be Paid During this Temporary Employment Period \$ _____		Anticipated Termination Date _____	
Employed by (Dept., County, City, or Institution)		Area Code - Telephone Number	
Street Address	City	State	Zip Code

**The employer shall submit a statement of working hours for the retiree when requested and shall be subject to audit to verify working hours. This form only covers the employment period stated in Part III. Please submit only one form for a 12-month period.**

\_\_\_\_\_  
Signature of Department or Agency Head and Date\_\_\_\_\_  
Printed Name and Title**PART IV: CERTIFICATION BY SUPERINTENDENT/DEPARTMENT HEAD** (To be completed **only** if number 4 of **PART I** is checked or if the retiree is being permitted to work up to 50% during the 60-day period immediately following his/her date of retirement.)

I hereby certify that I am the superintendent/department head of the \_\_\_\_\_ public school system/department and that no other qualified personnel are available to substitute teach/work during the employment period specified in **Part III** above. I further certify that the compensation payable to the retired member for such work will not exceed the rate of compensation set by the public school system/department for other employees filling similar vacant positions.

\_\_\_\_\_  
Signature of Superintendent/Department Head and Date\_\_\_\_\_  
Printed Name and Title**PART V: EMERITUS CERTIFICATION** (To be provided **only** if number 5 of **PART I** is checked)

Employer must attach information which reflects duties performed, compensation, and residence during the contract term.

**PART VI: FOR USE AT END OF TEMPORARY PERIOD** (Confirmation of compliance during temporary period)

1. Normal full-time number of hours in a work day \_\_\_\_\_
2. Hours worked \_\_\_\_\_ **OR** Quarter hours taught \_\_\_\_\_ **OR** Semester hours taught \_\_\_\_\_
3. Actual Compensation Paid \$ \_\_\_\_\_

\_\_\_\_\_  
Signature of Department or Agency Head and Date\_\_\_\_\_  
Printed Name and Title



# TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

## Notice of Nonelection Waiver of Right to Participate

**TO: Board of Trustees, Tennessee Consolidated Retirement System  
10th Floor Andrew Jackson State Office Building  
Nashville, TN 38243-5070**

				Social Security Number	
Name	Last	First	Middle	Maiden	
Department Employed By			Signature of Department Head		

I am receiving retirement benefits from the Tennessee Consolidated Retirement System or a superseded state retirement system as defined in T.C.A. 8-13-144. While receiving retirement benefits, I have accepted employment in a position covered by the Tennessee Consolidated Retirement System. I understand that my benefit must be suspended upon reemployment with an employer covered by the Tennessee Consolidated Retirement System.

Pursuant to T.C.A. 8-36-802, I must elect whether to make contributions to the Tennessee Consolidated Retirement System or whether to irrevocably waive my right to make further contributions and claim retirement service credit for such period of reemployment.

I elect to waive my right to make contributions to the Tennessee Consolidated Retirement System while eligible for retirement benefits and to waive my right to claim any retirement service credit for such period of reemployment.

I understand that this election may not be changed.

I have read the foregoing instrument and have elected to waive my right to participate in the Tennessee Consolidated Retirement System subject to the provisions set out in T.C.A. 8-36-802.

Signature of Member	State of Tennessee, County of
---------------------	-------------------------------

Personally appeared before me, the within named, \_\_\_\_\_ makes oath that he or she executed the foregoing instrument. This \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

*Notary Seal*

Notary Public: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_



## EXHIBIT VIII



**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
**10th Floor Andrew Jackson Building**  
**Nashville, TN 37243-0235**



**LIMITED REEMPLOYMENT OF RETIRED TEACHERS**

**INSTRUCTIONS:** The school system should complete the necessary certification and forward it to the Commissioner of Education for approval. Once fully completed, the original form should be submitted to the Tennessee Consolidated Retirement System with a copy to the Director of Schools to communicate approval or denial.

<b>PART I: EMPLOYEE WAIVER OF RETIREMENT CREDIT</b>			Date of Retirement
Social Security Number		Employing School System	
Name (Last)	(First)	(Maiden)	(Middle)
Street Address		City and State	Zip Code

I hereby waive retirement credit for periods of service rendered pursuant to Public Chapter 903, Acts of 2000 during which benefits are received.

\_\_\_\_\_  
 Signature of Employee

\_\_\_\_\_  
 Date

**PART II: CONDITIONS OF REEMPLOYMENT AND CERTIFICATION**

- | Yes                   | No                    |  |
|-----------------------|-----------------------|--|
| <input type="radio"/> | <input type="radio"/> | Has the retiree been retired for at least one year?  |
| <input type="radio"/> | <input type="radio"/> | Does the retiree possess a professional teacher's license?                                 |
| <input type="radio"/> | <input type="radio"/> | Is the salary limited to 85% of system salary based on comparable training and experience? |
| <input type="radio"/> | <input type="radio"/> | Will tenure be awarded?  |
| <input type="radio"/> | <input type="radio"/> | Does the retiree to be appointed have the requisite experience, training and expertise?    |
| <input type="radio"/> | <input type="radio"/> | Are other qualified persons available?   |

Teacher's specific area of training: \_\_\_\_\_

Position to be filled: \_\_\_\_\_

Contract salary: \_\_\_\_\_

**Certification:** I hereby certify that \_\_\_\_\_ meets all conditions to be hired without loss of retirement benefits pursuant to Public Chapter 903, Acts of 2000. The appointment is to be effective from \_\_\_\_\_ to \_\_\_\_\_. I further certify that no other qualified person is available for employment in such position. I understand that beginning July 1, 2001 the increased pension liability will be funded from BEP allocations or other available funds.

\_\_\_\_\_  
 Signature of Superintendent/Director of Schools

\_\_\_\_\_  
 Date

**PART III: CERTIFICATION BY COMMISSIONER OF EDUCATION (Check one)**

☐ **Approval:** I hereby certify that \_\_\_\_\_ serves an \_\_\_\_\_ area that lacks qualified teachers to fill the position of \_\_\_\_\_.  
 (Name of School System)  
 (Class of Position to be Filled)

☐ **Denial:** Qualified teachers who are not retired are available in the area served.

\_\_\_\_\_  
 Signature of Commissioner of Education

\_\_\_\_\_  
 Date

## 700 RETIRED PAYROLL

- 701 Lost, Destroyed, or Forged Retirement Checks.** All retirement checks are mailed on the last working day of each month. Any time there is reason to believe a check has been forged, the Retired Payroll Section should be notified immediately. When the forged check is returned by the bank, a copy showing the endorsement together with two affidavits (Exhibit I) that are to be executed before a notary will be furnished to the retiree. The retiree will examine the endorsement and complete the affidavits as to the ownership of the signature on the copy of the check and return both forms to the TCRS. The two affidavits will be furnished to the bank. If the bank agrees a forgery has occurred, the bank will reimburse the retirement system and another check will be issued to the retiree. If the bank does not agree that the signature on the check was forged, another check will not be made.

If the retirement check is late, the retiree should wait until the tenth of the month before contacting the Retired Payroll Section. If the check has not been cashed, a stop payment will be placed on the first check and a duplicate check will be issued. If the retiree has been notified that a stop payment has been placed on the original check and that check subsequently arrives, the original check should be returned to the Retired Payroll Section.

If the retirement check is inadvertently lost or destroyed, notify the Retired Payroll Section at once so that a stop payment may be placed on the check and a duplicate check issued.

Any time a retired member contacts the Retired Payroll Section concerning a missing check, his telephone number, address, and social security number should be furnished.

- 702 Change of Address.** Any notification of change of address must be in writing, furnishing the retiree's full name, social security number and both the old and new address. This notification must be received prior to the 15th of each month in order to be changed on that month's payroll.
- 703 Direct Deposit.** Upon the completion of a direct deposit application authorizing such action, the retirement system will deposit the retirement checks directly to the retired member's financial institution (Exhibit II). A direct deposit application will be furnished to the retired member upon request. The TCRS strongly suggests the use of the Direct Deposit plan for retirees. This plan guarantees that the money will be deposited in the member's financial institution on the last business day of each month even if the member is away on vacation or ill. This service also frees the member from concern over lost or stolen checks. It is very important that a Direct Deposit participant notify TCRS if his home address changes. Year-end statements are mailed to the home address and if there is a change in the amount of benefits to be received, the retiree will be notified in writing.
- 704 Death of the Retiree or Beneficiary.** Notification of the death of a retiree or beneficiary may be furnished either orally or by correspondence. The following information is required: (1) full name of the deceased retiree or beneficiary, (2) date of death, (3) social security number, and (4) if the information is furnished by telephone, the caller's name, address and telephone number.
- 705 Procedure to Follow upon the Death of a Retired Member or Beneficiary.** Upon notification of the death of the retiree or beneficiary, the member's file will be reviewed. If the deceased retiree elected the regular plan, the member's estate or designated beneficiary shall receive the check for the month in which death occurred plus any contributions not received in benefits.

If the deceased member elected an option, the designated beneficiary will receive the check for the month in which death occurred and the beneficiary will be placed on the retired payroll beginning with the month after the death of the retiree. Payment for the month of death of the member shall be for the full month's benefit regardless of the date of death of the retiree.

**706 Death Certificate.** Upon receipt of the notification of the death of a retired member or beneficiary, the Retired Payroll Section will furnish the designated beneficiary with a Claim Form (Exhibit III) that must be completed, executed before a notary public and returned to the retirement system with a copy of the death certificate. If the beneficiary is deceased or the retired member designated his estate, the executor or administrator should submit a certified copy of the appointment with the Claim Form and Death Certificate. These documents must be furnished before the claim can be processed.

**707 Tax Liability.** TCRS members receiving monthly retirement benefits are liable for federal income taxes on their pensions.

A simplified general rule has been authorized by the IRS. This method distributes the return of member contributions on the basis of the estimated number of benefit checks a retiree will receive. Additional information on the simplified general rule is available in the instructions to IRS Form 1040 and in IRS Publication 575.

Each year, the TCRS will provide a 1099R form showing the taxable and nontaxable amounts to every individual receiving monthly retirement benefits.

**708 Withholding.**

A. Depending upon the amount of the monthly benefit, TCRS may have to withhold taxes on benefits unless an election is filed specifying no withholding. Federal law requires TCRS to automatically withhold income tax as if the member was married with three dependents unless one of the following elections is made:

1. Elect no withholding;
2. Specify a definite amount to be deducted for withholding; or
3. Specify that withholding be deducted based on a specified number of allowances and marital status.

To avoid automatic withholding, a withholding certificate (Exhibit IV) should be completed and returned to the TCRS office with the retirement application.

B. Federal law requires TCRS to inform retirees each year that they are liable for federal income taxes on the taxable portion of their pensions and may be subject to tax penalties if estimated tax payments and withholding do not pay 90% of their tax liability.

**709 Year End Statement.** At the end of January, the TCRS will enclose with the January checks of all retirees a statement of the annual amount of benefits paid to the retiree during the previous year. Even if the retiree's check is directly deposited to the bank, the statement will be mailed to the retiree's home address (Exhibit V).

**710 Hospitalization Insurance.**

A. State and higher education employees or their dependents may be eligible to continue State group insurance coverage at retirement. Retired employees or their dependents may continue until they become eligible for Medicare by virtue of age. Dependents must be covered at the time of retirement and must continue to meet eligibility conditions.

The eligibility guidelines for continuation of insurance coverage are as follows:

- 10 years of employment with the State and at least three years of insurance coverage immediately prior to retirement. The date of retirement must immediately follow the date of final termination from employment.
- At least 20 or more years of employment with the State and at least one year of insurance coverage in the plan immediately prior to retirement. The period of time between the employee's final termination date and the date of retirement may be up to five years.

Upon the death of a retiree, a covered spouse or dependent will receive six months free insurance coverage. Continuation of coverage beyond the six-months free coverage will be made available to those dependents that are covered by the plan upon the retiree's death and are not eligible for Medicare by virtue of age.

Employees who qualify for disability retirement through TCRS may continue coverage if they participated in the State plan at the time the injury or illness occurred and have five years of service. Upon eligibility for Part A of Medicare, disability retirees may continue in the plan to the point at which Medicare eligibility would have been attained had the disability not occurred, provided the retired employee remains eligible for the disability allowance and Part B of Medicare is retained.

Retirees and their dependents who continue participation in the State plan and subsequently qualify for Medicare Part A due to a disabling condition continue to be eligible for coverage until such time as they would have been eligible for Medicare by virtue of age. Proof of disability must be shown. Medicare will be the primary coverage and Part B of Medicare must be retained.

When an employee retires, he may only continue coverage under the same plan he had before retirement unless he does not live in the service area for that plan. Any retiree covered by an option that has a limited service area and who moves out of the service area should notify TCRS immediately so that coverage may be transferred. Once a year, retirees will be allowed to review their health coverage and transfer to other available plans if desired.

Eligible employees who wish to continue insurance coverage after retirement should submit an *Application for the Continuation of Insurance* with their retirement application to TCRS. The application must be submitted within a full calendar month from the effective date of retirement.

If eligible retirees do not enroll within a full calendar month from the effective date of retirement, they may only re-enroll if they were on the medical insurance at the time they retired and were eligible to continue that coverage by their length of service and their length of participation in the plan. They must also qualify by meeting a special enrollment provision under the guidelines of the Health Insurance Portability and Accountability Act (HIPAA) or by being approved as a late applicant by medical underwriting.

For additional information, request the brochure *Continuing Insurance at Retirement for State and Higher Education Employees* from the TCRS Retiree Insurance Section at 1-877-681-0155.

- B. Retirees of political subdivisions may be entitled to insurance coverage in the Local Government Insurance Plan. Questions should be directed to the TCRS Retiree Insurance Section at 1-877-681-0155.

- C. Retirees and their dependents who are eligible for Medicare Part A may be eligible for the State's Medicare Supplement Plans. A brochure describing the plans available and the eligibility requirements can be obtained from your personnel office, by contacting TCRS, or by accessing the TCRS website.

Employees who are eligible for Medicare at retirement by virtue of age (or who have Medicare eligible dependents) should submit an *Application for Medicare Supplement Programs* with their retirement application to TCRS. This application must be submitted within 60 days of your effective date of retirement. A copy of the Medicare card must be submitted with the application.

Retirees and their dependents who become eligible for Medicare by virtue of age after retirement will be sent an application approximately three months before the date of their Medicare eligibility. To enroll in the Medicare Supplement plan, retirees must submit an application to TCRS within 60 days of Medicare eligibility. A copy of the Medicare card must be submitted with the application.

Premiums for the Medicare Supplement plan are deducted from the monthly TCRS benefit. Retirees with 15 or more years of State and/or teaching service are eligible to have a portion of their monthly premium paid by the State. The State does not contribute toward the cost of dependent coverage.

- 711 Life Insurance.** Any questions concerning life insurance should be directed to the personnel officer of the last employer.
- 712 Divorce After Retirement.** In the event of divorce of a retiree who retires under an optional retirement plan where the spouse is the designated beneficiary, the beneficiary may be canceled upon the written request of the retiree. A copy of the divorce decree and property settlement must accompany the request and such request must not be contrary to the decree or settlement. The retirement allowance payable to the retiree after the cancellation of the designated beneficiary shall not be affected by such cancellation.
- 713 Cost-of-Living.** Any retired member who has been retired for at least twelve months on July 1 of each year is eligible to receive an increase in retirement benefits based on an increase in the Consumer Price Index. If the Consumer Price Index is between .5% and 1% in any calendar year, the cost-of-living adjustment will be 1%. If the Consumer Price Index is between 1% and 3%, the cost-of-living adjustment will be the actual percent. If the Consumer Price Index is above 3%, the cost-of-living adjustment will be 3%. This increase is effective on July 1 after the calendar year.

Example 1: Sue Jones retired June 30, 2007 with a monthly benefit of \$400. On July 1, 2008, if the Consumer Price Index is 3% or more for calendar year 2007, she will receive a 3% increase of her base benefit.  $400 \times .03 = \$1,200$ . This will increase her monthly benefit to \$412. Every year thereafter, the applicable cost-of-living percentage will be applied to the member's most recent benefit.

Example 2: John Jones retired July 2, 2007 with a monthly benefit of \$400. On July 1, 2008, he will not be eligible for a cost-of-living increase since he has not been retired 12 full months by July 1. However, on July 1, 2009, he will receive a 3% increase of his base benefit (if the Consumer Price Index is 3% or more for calendar year 2008).  $400.00 \times .03 = \$412$ . Every year thereafter, the applicable cost-of-living percentage will be applied to the member's most recent benefit.

The governing body of Political Subdivisions participating in the TCRS must approve this cost-of-living provision.

**714 Ad Hoc Increase.** From time to time, the General Assembly may authorize special increases for retirees of which will be optional for political subdivisions.

**EXHIBIT I**

Affidavit of Forgery

**EXHIBIT II**

Direct Deposit Application

**EXHIBIT III**

Official Notification of Deceased Member

**EXHIBIT IV**

Substitute Withholding Certificate for Pension & Annuity Payments

**EXHIBIT V**

Year End Statement (Form 1099R)

**EXHIBIT VI**

Application for Continuation of Medical Insurance Coverage after Retirement

**AFFIDAVIT OF FORGERY**

STATE OF TENNESSEE                    )  
  )  
COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, being duly sworn, make oath as follows:

1. I have examined check number \_\_\_\_\_, dated \_\_\_\_\_, in the amount of \_\_\_\_\_ issued to me by the Tennessee Consolidated Retirement System.

2. I find that I did not endorse said check, nor have I authorized my name thereon, nor have I participated in any manner in any proceed derived from negotiation of said check. Therefore, the endorsement of my name on the check is a forgery.

FURTHER AFFIANT SAITH NOT.

\_\_\_\_\_  
Signature

Sworn to and subscribed before me this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
(Notary Public)

My Commission Expires:\_\_\_\_\_.



Please print or type your name, address, social security number and telephone number. Copy your social security number from your retirement check or stub. Contact your financial institution for their correct name and mailing address and enter below.

If you want your retirement payments to go into your checking account, please enclose a voided check (no deposit slips please). This is to verify the account number and the financial institution's routing number. Please complete and sign this form and return it to



**Tennessee Consolidated Retirement System**  
**10th Floor, Andrew Jackson State Office Bldg.**  
**Nashville, Tennessee 37243-0234**



1. Name: \_\_\_\_\_  

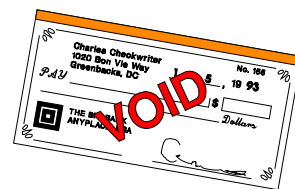
Last
First
Middle Initial
2. Social Security #: \_\_\_\_\_ Area Code/Phone # (    ) \_\_\_\_\_
3. Address: \_\_\_\_\_  

Street, Rural Route, Box #, Apt. #

\_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_
4. Financial Institution Name: \_\_\_\_\_
5. Financial Institution Mailing Address: \_\_\_\_\_  

\_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_
6. Financial Institution Area Code/Phone#: (    ) \_\_\_\_\_
7. Type of Account:    ☐ Checking    ☐ Savings

If you want your benefit directly deposited into a checking account, tape a voided, preprinted check (not a deposit slip) in this box. If you want your benefit directly deposited into a savings account, complete the appropriate blanks below.



☐ Savings

Account # \_\_\_\_\_ \*Routing # \_\_\_\_\_

\* Please contact your financial institution for the correct routing number.

I hereby authorize the Tennessee Consolidated Retirement System to make retirement payments to my account at the financial institution indicated and I further authorize said financial institution to accept these credit entries to my account. I understand that I may make changes to this agreement upon providing written notification to the Retirement System within such time as to afford the Retirement System and the financial institution a reasonable opportunity to act on it.

**SIGN HERE:** \_\_\_\_\_  

Signature
Date



**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**  
**10th Floor, Andrew Jackson State Office Building**  
**Nashville, TN 37243-0234**

**Official Notification of Deceased Member**

1. Name of Deceased Member: \_\_\_\_\_
2. Social Security Number: \_\_\_\_\_ File Number: \_\_\_\_\_
3. Last Residence of Deceased: \_\_\_\_\_
4. Date of Death: \_\_\_\_\_
5. Name of Claimant: \_\_\_\_\_
6. Address of Claimant: \_\_\_\_\_
7. Telephone Number: \_\_\_\_\_
8. Social Security Number of Claimant: \_\_\_\_\_
9. Relationship to Deceased: \_\_\_\_\_

\_\_\_\_\_  
 Signature of Claimant

If the benefit check is to be made payable to the Deceased Member's Estate, Items 8 and 9 need not be completed.

A COPY OF THE DECEASED MEMBER'S DEATH CERTIFICATE MUST BE ATTACHED TO THIS CLAIM.

IF THE CLAIMANT IS A COURT APPOINTED EXECUTOR, EXECUTRIX, ADMINISTRATOR, OR ADMINISTRATIX, ONE COPY OF THE APPOINTMENT MUST ACCOMPANY THIS CLAIM.

-----  
 State of \_\_\_\_\_ County of \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ personally appeared before me the above named individual, \_\_\_\_\_, and made oath that the answers by him or her shown above are true to the best of his or her knowledge.

SEAL

\_\_\_\_\_  
 (Notary Public)

My Commission Expires: \_\_\_\_\_

## EXHIBIT IV



## TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

10TH FLOOR ANDREW JACKSON STATE OFFICE BUILDING  
NASHVILLE, TN 37243-0234

## SUBSTITUTE WITHHOLDING CERTIFICATE FOR PENSION OR ANNUITY PAYMENTS

Name and Address:

Social Security Number:

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*Complete the following applicable line:*

- 1 I elect **NOT** to have income tax withheld from my pension.  
(Do not complete lines 2 or 3 if you check here)

☐

- 2 I want the following **TOTAL** amount withheld from each payment.  
(Do not complete lines 1 or 3 if you enter an amount here)

\$ \_\_\_\_\_

**IF YOU COMPLETED LINE 1 OR LINE 2, DO NOT COMPLETE LINES 3a OR 3b.**

- 3a I want my withholding from each payment to be figured using the number of allowances and marital status shown.  
(Enter the number of allowances)

\_\_\_\_\_

Marital Status: ☐ Single ☐ Married ☐ Married, but withholding at higher single rate

- 3b I want the following additional amount withheld from each pension payment  
(This amount is deducted in addition to the amount computed from the information on line 3a)

\$ \_\_\_\_\_

Your signature

Date

--	--

## EXHIBIT V

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, and ZIP code  <b>TENNESSEE CONSOLIDATED RETIREMENT SYSTEM</b> <b>10th FL. ANDREW JACKSON BLDG.</b> <b>NASHVILLE, TN 37243 0234</b> <b>615-741-4913 or toll-free 1-800-770-8277</b>		1 Gross distribution \$		OMB No. 1545-0119  <b>2007</b>  Form <b>1099-R</b>	<b>Distribution From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>
		2a Taxable amount \$			
				2b Taxable amount not determined	
PAYER'S federal identification number  <b>62-6001445</b>	RECIPIENT'S identification number	3 Capital gain (included in box 2a) \$		4 Federal income tax withheld \$	
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		5 Employee contributions /Designed Roth contributions or insurance premiums \$		6. Net unrealized appreciation in employer's securities \$	
		7 Distribution code(s)	IRA/SEP SIMPLE <input type="checkbox"/>	8 Other \$	%
		9a Your percentage of total distribution %		9b Total employee contributions \$	
	1st year of design. Roth contrib.	10 State tax withheld \$		11 State/Payer's state no. <b>TN/69-0630001</b>	
		\$		\$	
Account number (see instructions)		13 Local tax withheld \$		14 Name of locality	
		\$		\$	
		\$		\$	
				15 Local distribution \$	

Form **1099-R**

Department of the Treasury - Internal Revenue Service



**Tennessee Consolidated Retirement System**  
**10th Floor Andrew Jackson Building**  
**Nashville, TN 37243-0234**  
**1-877-681-0155**

**Application for Continuation of Medical Insurance Coverage After Retirement**  
**See reverse side for eligibility requirements.**

Employees or dependents who are eligible for Part A of Medicare by virtue of age cannot be included under the coverage. Dependent children between the ages of nineteen (19) and twenty-four (24) may be covered only if they continue to meet eligibility guidelines.

Name of Retiree \_\_\_\_\_ Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Type of Coverage Desired: ☐ Individual ☐ Spouse ☐ Dependent ☐ Family

Family members to be covered by your contract (please type or print legibly):									
Social Security #	Dependent's Legal Name (no nicknames)			Birth Date	Relationship Code	Sex M/F	Acquire Date	Marital Status S/M/D/W	Student Y/N
	Last	First	M.I.						

Report all dates as MM/DD/YY. See back of form for code listing.

Are you presently eligible for Part A of Medicare? Retiree: ☐ Yes ☐ No Spouse: ☐ Yes ☐ No

MM/YYYY

MM/YYYY

Give month and year you will become eligible: Retiree: \_\_\_\_\_ Spouse: \_\_\_\_\_

Are you, your spouse or dependents receiving Social Security benefits *based on disability*?

Retiree: ☐ Yes ☐ No

Date Eligible: \_\_\_\_\_, 20\_\_\_\_

Spouse: ☐ Yes ☐ No

Date Eligible: \_\_\_\_\_, 20\_\_\_\_

Dependent Name: \_\_\_\_\_

Date Eligible: \_\_\_\_\_, 20\_\_\_\_

Dependent Name: \_\_\_\_\_

Date Eligible: \_\_\_\_\_, 20\_\_\_\_

I confirm that all of the information provided above is accurate. I understand that misrepresentation constitutes fraud and may subject me to loss of benefits through the state group insurance program.

Signature \_\_\_\_\_ Date \_\_\_\_\_ Phone Number \_\_\_\_\_

**EMPLOYER CERTIFICATION (Must be completed by employer. Termination date must be keyed to TIS.):**

Type of coverage carried by employee: ☐ Individual ☐ Spouse ☐ Dependent ☐ Family

Give month, day and year in which coverage will be terminated through employer: \_\_\_\_\_, 20\_\_\_\_

Department or Institution \_\_\_\_\_ Phone Number \_\_\_\_\_

Signature of Certifying Officer \_\_\_\_\_

## Eligibility Requirements

### Medical Insurance for Retirees and Dependents

Retired state employees and teacher must meet one of the following criteria to qualify for continuation of medical insurance coverage after retirement. Local government employees should contact TCRS for eligibility requirements.

1. For service or early retirees under the TCRS who terminate state or teacher employment and are eligible to receive TCRS retirement benefits, one of the following conditions must be met for continuation in the state or teacher group insurance plan:
  - (a) Twenty or more total years of state or teacher employment with one year of insurance coverage in the state or teacher group insurance plan immediately prior to final termination for retirement from the TCRS; provided that, from such retirees, the period of time between the employee's final termination date and the date retirement benefits begin (retirement date) may be up to five years in length; or
  - (b) Ten, but less than twenty, total years of state or teacher employment with three continuous years of insurance coverage in the state or teacher group insurance plan immediately prior to final termination for retirement from the TCRS. For such retirees, the date retirement benefits commence (retirement date) must immediately follow the employee's date of final termination from state or teacher employment.
2. TCRS disability retirees may continue coverage if they were participants in the state or teacher group insurance plan at the time of the injury or illness which resulted in their disability and by having at least five (5) years of employment with the employer immediately prior to final termination due to disability, provided that no lapse in coverage has occurred.
3. Employees who elected to participate in TIAA, non-elects and state employees on federal appointment (not eligible for federal insurance programs) should contact TCRS concerning continuation of medical insurance coverage after retirement.

TCRS retirees eligible to continue insurance coverage in the state or teacher group insurance plan must elect to continue insurance coverage within 30 days of application for retirement benefits.

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### Dependent Codes

- Social Security Number: Must be filled in for any dependent older than 24 months (2 years)
- Relationship Codes:
 

SP = Legally married spouse .....	Acquire Date: Date of marriage
CN = Natural child .....	Date of birth
CN = Legally adopted child .....	Date of placement for adoption
CS = Stepchild for whom you or your spouse has legal or joint custody .....	Date custody obtained or marriage date
CL = Any child for whom you are the legal guardian .....	Date appointed guardian
CT = Any child you claim as a dependent for federal income tax .....	Date you were able to claim child

**IMPORTANT:** It is your responsibility to notify your insurance preparer of any changes in the eligibility status of a dependent within five working days.

The following are *not eligible* for coverage as your dependent through the State Group Insurance Program:

- |  |   |
|--|---|
| • Ex-spouse (even if court ordered)  | • Married children, regardless of age.                    |
| • Parents of the employee or spouse.   | • Foster children.  |
| • Children in the armed forces on a full time basis.                         | • Live-in companions not legally married to the employee. |
| • Children over age 24 (unless they meet qualifications for incapacitation). |   |

Acquire Dates are needed solely for the purposes of determining eligibility.

- Student: Must be completed for any unmarried dependent child older than 18 years and 11 months of age. Enter "Y" if dependent is a student, otherwise enter "N".

A complete explanation of dependent eligibility is found in the Employee Insurance Handbook available from your agency personnel office. Please contact your agency insurance representative with any questions concerning this form.

## 800 FUNDING OF THE RETIREMENT SYSTEM

**801 Introduction.** Funding of the Tennessee Consolidated Retirement System is provided through employee and employer contributions plus earnings received from the invested assets. A standard actuarial “advanced funding” method is used to provide for the accumulation of assets to fund the cost of monthly retirement annuities. Each participating employer is totally responsible for the pension costs of its employees; therefore, individual asset balances are maintained for each participating governmental unit.

**802 Accounting for Assets.** The accounting system in the retirement system is set up so that each political subdivision has two funds; (1) an employee asset fund and (2) an employer asset fund. The employee asset fund represents the assets of the employees while the employer asset fund represents the assets of the governmental organization. Exhibit I and I (a) provides a pictorial view of the flow of money in and out of the two funds.

**803 Employer Asset Fund.** The employer asset fund is increased by (1) employer contributions; (2) the transfer of an employee’s account at retirement from the employee asset fund; and (3) earnings on investments. Investment earnings are distributed to each employer based on the average asset balance. The average asset balance is the average of the employee and employer assets at the beginning and end of the fiscal year. Earnings were distributed based on the average asset balance at the rate of 6.9% for fiscal year 2005-06 and 13.2% for fiscal year 2006-07.

The employer asset fund is decreased by (1) the payment of a matching lump sum death benefits to the beneficiary of a deceased member; (2) the payment of monthly retirement annuities; and (3) the transfer of money to the employee asset fund to credit interest to the accounts of employees.

**804 Employee Asset Fund.** The employee asset fund is increased by (1) employee contributions and (2) the transfer of money from the employer asset fund to credit interest to employee accounts. The employee asset fund is decreased by (1) the refund of employee contributions and interest upon the termination of an employee and (2) the transfer of an employee’s account at retirement to the employer asset fund.

**805 Investment of TCRS Assets.** Funds of the TCRS are invested by the Investment Division of the Treasury Department primarily in low risk, high yield stocks and bonds. Investment policy is established by the Board of Trustees upon receiving and considering the advice of the Investment Advisory Council.

**806 Actuarial Valuation.** In addition to funding annual benefit payments, a sound retirement system must also work toward funding a reserve to meet future benefit payments. In order to provide for sufficient annual funding to meet the reserve requirements, the retirement law provides that an actuarial valuation be performed every two years. This study considers the present employee and employer assets, projects employee contributions and investment earnings, and projects payouts in refunds and benefits for both present and future retirees. As a result of the actuarial valuation, each employer’s contribution rate which is required to keep the system on a sound actuarial basis is determined.

Using the prospective contributions of the employees and the employer, a recommended employer contribution rate is calculated based on the annual salary of the employees under the retirement program. This recommended employer contribution rate will be effective for two years.



Additional factors taken into consideration by the actuary during the actuarial valuation include:

- (1) Turnover Rate
- (2) Disability Rate
- (3) Retirement Rate
- (4) Salary Increase Assumption
- (5) Number of Male and Female Participants in the Plan
- (6) Earnings on Investments - Interest Assumption
- (7) Death Rate Before and After Retirement

The retirement system contracts with an independent actuarial firm which performs the system's biennial valuations.

**807 Actuarial Balance Sheet.** The actuarial valuation process produces an actuarial balance sheet which sets out the assets and liabilities from an actuarial viewpoint (Exhibit II). On this balance sheet the present assets and the present value of prospective contributions of the employees and the governmental employer equal the present value of projected benefits for the employees.

The assets are separated into two categories: (1) present assets and (2) present value of prospective contributions. The present assets represent the value of the assets of the employees and the employer at June 30. The second category pertains to the prospective contributions, on a present value basis, that will be contributed by employees and by the department during the career of those employees who were active members at June 30.

The liability side of the actuarial balance sheet consists of two categories: (1) the present value of basic benefits to be paid to the current and prospective retirees and (2) the present value of cost-of-living benefits to be paid to those retirees after their retirement. Basic benefits include refunds to employees, death benefits, and monthly retirement benefits. The liabilities have been allocated between three groups of employees: (1) those retired at June 30; (2) those employed by the employer at June 30; and (3) those who have terminated their employment with the employer but have not requested a refund.

**808 Actuarial Liability.** The employer's liability to a retirement plan is expressed in terms of the normal and supplemental liability. Normal liabilities are generally funded by a level percentage of payroll over an employee's working lifetime. The supplemental liabilities represent costs to the employer for benefits which will not be covered by future normal costs or by assets already on hand. These liabilities are being funded or amortized over a 40 year period which began July 1, 1975 or on the date of participation in TCRS, if later. For political subdivisions joining after June 30, 1983 the liability is being amortized over a 30 year period, and 20 year period for these political subdivisions joining after March 31, 1994.

**809 Financial Statement Information.** At the bottom of the actuarial balance sheet is information that may be needed by your auditors for inclusion with the agency's financial statements. This information has been prepared in accordance with the Accounting Principles Board's Opinion No. 8. Calculations of the present value of vested benefits and all accrued benefits are provided. The accumulated assets are shown on the actuarial balance sheet.

Fiscal year footnote information is processed and made available at the end of September. This information is available for K-12 Public School Systems and participating political subdivisions. These statements are created following Governmental Account Standards Board Statement 27 standards. (Exhibit III). Footnote information is available on the internet at [www.treasury.state.tn.us/tcrs/Schools/](http://www.treasury.state.tn.us/tcrs/Schools/) or [www.treasury.state.tn.us/tcrs/PS/](http://www.treasury.state.tn.us/tcrs/PS/).

**EXHIBIT I & IA**

Diagram of the Flow of Employee and Employer Funds

**EXHIBIT II**

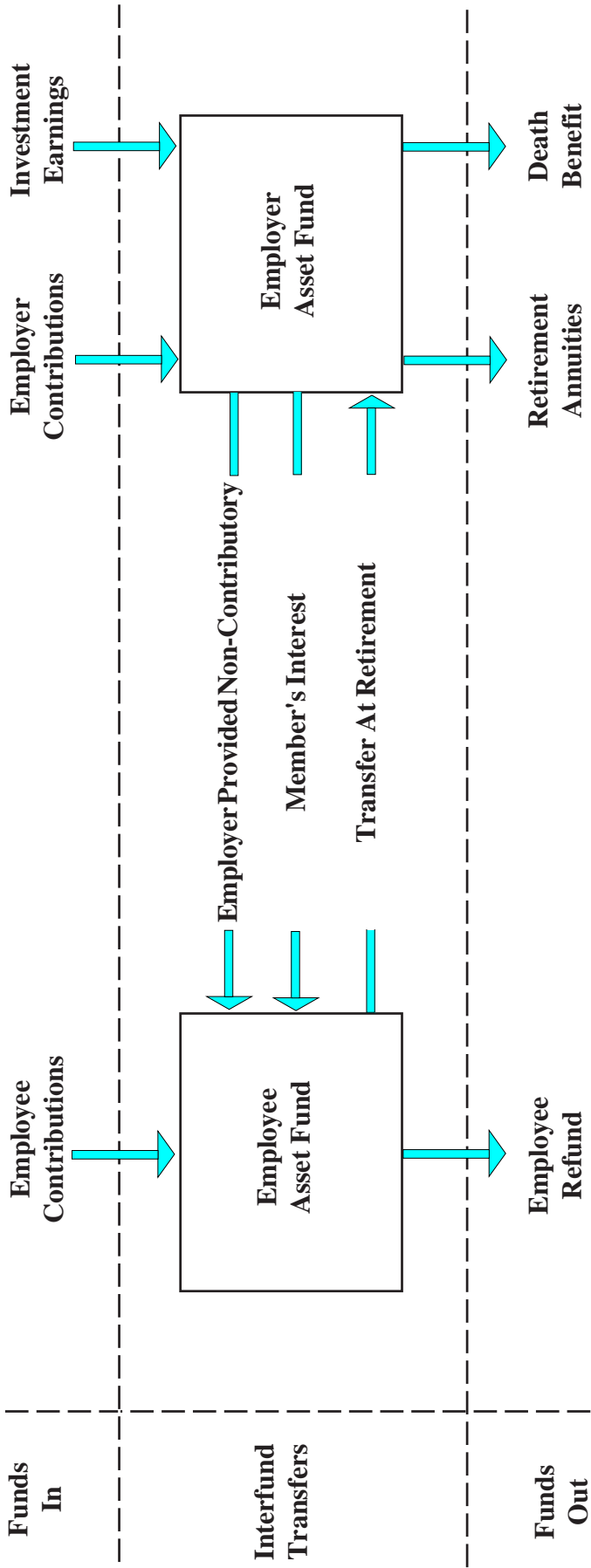
Actuarial Balance Sheet

**EXHIBIT III**

Footnote Statements

EXHIBIT I

NON-CONTRIBUTORY PLAN  
DIAGRAM OF THE FLOW OF EMPLOYEE AND EMPLOYER FUNDS



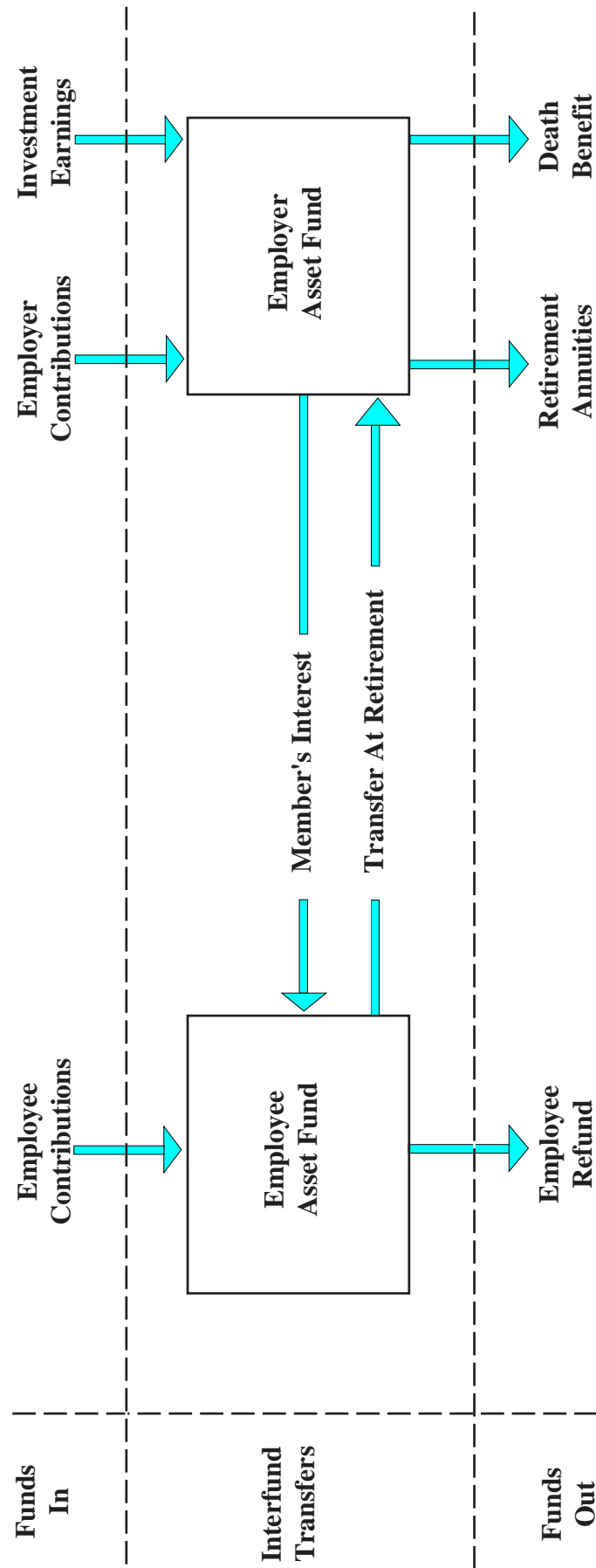
The employer asset fund is increased by (1) employer contributions; (2) the transfer of an employee's account at retirement from the employee asset fund; and (3) earnings on investments. Investment earnings are distributed to each employer based on the average asset balance which is the average of the employee and employer assets at the beginning and end of the fiscal year.

The employer asset fund is decreased by (1) the payment of a matching lump sum death benefit to the beneficiary of a deceased member; (2) the payment of monthly retirement annuities; (3) the transfer of money to the employee asset fund to credit interest to the accounts of your employees; and (4) the transfer of money to the employee fund to credit employer provided non-contributory funds to the individual member accounts.

The employee asset fund is increased by (1) employee contributions; (2) the transfer of money from the employer asset fund to credit interest to employee accounts; and (3) the transfer of money from the employer fund to credit individual member accounts with employer provided non-contributory funds. The employee asset fund is decreased by (1) the refund of contributions and interest upon the termination of an employee; and (2) the transfer of an employee's account at retirement to the employer asset fund.

CONTRIBUTORY PLAN

DIAGRAM OF THE FLOW OF EMPLOYEE AND EMPLOYER FUNDS



The employer asset fund is increased by (1) employer contributions; (2) the transfer of an employee's account at retirement from the employee asset fund; and (3) earnings on investments. Investment earnings are distributed to each employer based on the average asset balance which is the average of the employee and employer assets at the beginning and end of the fiscal year.

The employer asset fund is decreased by (1) the payment of a matching lump sum death benefit to the beneficiary of a deceased member; (2) the payment of monthly retirement annuities; (3) the transfer of money to the employee asset fund to credit interest to the accounts of your employees.

The employee asset fund is increased by (1) employee contributions; (2) the transfer of money from the employer asset fund to credit interest to employee accounts. The employee asset fund is decreased by (1) the refund of employee contributions and interest upon the termination of an employee; and (2) the transfer of an employee's account at retirement to the employer asset fund.

**EXHIBIT II**  
Reference Codes

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM  
BIENNIAL VALUATION AS OF JULY 1, 2005  
NO IMPROVEMENTS**

Actuarial Balance Sheet			
<i>Assets</i>		<i>Liabilities</i>	
Present Assets at Market Value:		Present Value of:	
Employee Assets	\$ 14,416,532	Basic Benefits Payable to:	
Employer Assets	82,782,506	Retired Employees	\$ 34,712,542
		Active Employees	58,173,076
		Inactive Employees	3,376,662
Present Value of Prospective Contributions Payable to:		Cost-of-Living Benefits Payable to:	
Employees	37,623	Retired Employees	18,775,537
Employer		Active Employees	15,770,647
Normal	24,958,119	Inactive Employees	<u>848,058</u>
Supplemental Liability	<u>9,461,743</u>		
Total	\$131,656,522	Total	\$131,656,522

<i>Membership</i>			
<u>Active</u>		<u>Inactive</u>	
Number		Number	<u>Retired</u>
1,050		430	464
Annual Salary	\$27,888,295		Annual Benefit
			\$4,449,188

**Recommended Employer Contribution Rates**

Normal	10.91%
Supplemental Liability Amortization	4.23
Cost of Administration	<u>0.12</u>
Total	15.26%

\*Based on 12-Year Amortization of Supplemental Liability

NOTE: The present value of vested benefits computed in accordance with Opinion #8 of the Accounting Principles Board is \$90,021,111. The present value of accrued benefits, whether or not vested, is \$91,738,541.

**SAMPLE FOOTNOTE***[Political Subdivision]**[Department Code]****Plan Description***

Employees of [Political Subdivision] are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with 5 (five) years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who became disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after 5 (FIVE) years of service and members joining prior to July 1, 1979 were vested after 4 years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Political Subdivision participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or by calling (615) 741-7063.

***Funding Policy***

[Political Subdivision] has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to 5.0 percent of annual covered payroll.

[Political Subdivision] is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 1999 was 8.00% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for [Political Subdivision] is established and may be amended by the TCRS Board of Trustees.

***Annual Pension Cost***

For the year ending June 30, 1999, [Political Subdivision's] annual pension cost of \$2,005,484 to TCRS was equal to [Political Subdivision's] required and actual contributions. The required contribution was determined as part of the June 30, 1997 actuarial valuation using the frozen initial liability actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 5.5 percent annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 4.5 percent annual increase in the Social Security wage base, and (d)

projected post retirement increases of 3.0 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. [Political Subdivision's] unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The amortization period at June 30, 1997 was 18 years.

### Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/99	\$ 2,005,484	100.00%	\$ 0.00
6/30/98	\$ 1,235,936	100.00%	\$ 0.00
6/30/97	\$ 1,686,677	100.00%	\$ 0.00

### Required Supplementary Information

Schedule of Funding Progress for [Political Subdivision], [Department Code]

(Dollar amounts in thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b) - (a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
07/01/03	\$97,199	\$106,661	\$ 9,462	91.13%	\$27,888	33.93%
07/01/01	91,035	101,307	10,272	89.86%	26,519	38.73%
07/01/99	80,976	86,815	5,839	93.27%	25,256	23.12%



## 900 GENERAL INFORMATION

### 901 The following is a list of phone numbers most frequently used when seeking retirement information.

Counseling Services Division .....	(615) 741-1971
Benefit Estimates	E-mail: ..... TCRS.Counseling@state.tn.us
Pre-Retirement Planning	
Disability Retirement	
Change of Beneficiary	
Member Services .....	(615) 741-4868
Retirement Application Status	E-mail: ..... TCRS.Member-Services@state.tn.us
Prior Service (military, refunded, out-of-state, educational leave)	
Financial Services Division .....	(615) 253-6781
Annual Statements	E-mail: ..... TCRS.Financial@state.tn.us
Retired Payroll (change of address, taxes, direct-deposit)	
Refunds (account balances, refund information)	
TCRS Toll Free .....	1-800-770-8277
Retiree Insurance .....	1-877-681-0155
Flexible Benefits .....	(615) 741-3131
Social Security Administration .....	1-800-772-1213
Tennessee Department of Insurance Administration .....	1-800-253-9981
(In Nashville) .....	(615) 741-3590
Blue Cross State Group Insurance .....	1-800-558-6213
Medigap Insurance (Medicare supplement) .....	1-800-221-7828
Life Insurance information through Provident .....	1-800-635-5597
Life Insurance information through Fort Dearborn .....	1-800-621-3251
Deferred Compensation through Great-West/BenefitsCorp .....	1-800-922-7772
(In Nashville) .....	(615) 244-1030
Internal Revenue Service .....	1-800-829-1040

**Visit the TCRS website for up-to-date information and forms: [www.treasury.state.tn.us/tcrs/](http://www.treasury.state.tn.us/tcrs/)**

**902 Meetings.** Retirement personnel are available for meetings with groups requesting information on any facet of the retirement program. To arrange such a meeting, contact Counseling Services at (615) 741-1971.

**903 Board of Trustees. Duties —** The general administration and responsibility for the proper operation of the retirement system and for making effective the provisions of the law is vested in the Board of Trustees.

A. Ex-officio Members:

Dale Sims — State Treasurer

Jill Bachus — Director of TCRS

John Morgan — Comptroller of the Treasury

Dave Goetz — Commissioner of Finance and Administration

Connie Clark — Administrative Director of the Courts

Randy McNally — Senator, Vice-Chairman, Council on Pensions and Insurance

Craig Fitzhugh — Representative, Chairman, Council on Pensions and Insurance

Deborah E. Story — Commissioner of Personnel

Riley Darnell — Secretary of State

B. Employee Representatives:

Michael Barker — Tennessee Retired Teachers' Association

James H. Crumley — Tennessee Municipal League

Greg Elliott — Tennessee Bureau of Investigation

Erick Huth — Middle Tennessee Teacher

Traci Jefferson — East Tennessee Teacher

Sammy Jobe — West Tennessee Teacher

Bill Kemp — Sumner County Clerk

Patsy Matthews — Retired State Employee

Dave Seivers — Tennessee County Services Association

Paula Shaw — Department of Transportation

## **1000 OPTIONAL PROVISIONS FOR POLITICAL SUBDIVISIONS**

Whenever a benefit provision is added to the retirement plan due to the enactment of legislation, the provision is optional to a political subdivision if it will increase retirement costs. The following list is a description of all optional provisions currently available. These provisions do not apply to employees of a political subdivision unless the chief governing body passes a resolution authorizing the provision and accepting the additional liability. The resolution to provide the optional provision must apply to all employees in all departments that are covered by the TCRS.

### **LIMIT CONTRIBUTIONS (EXHIBIT I)**

Currently, Contributory Group I and Group II members respectively contribute 5% and 5½% of their salary up to the social security wage base and 5½% and 7% of their salary above the social security wage base. Political subdivisions now have the option of authorizing the removal of the additional contributions on salary above the wage base so that Group I and Group II members respectively would contribute 5% and 5½% on their gross salary.

The cost of exercising this option would depend on the number of employees whose salaries exceed the social security wage base. The employer cost would equal the extra contributions made by an employee for salaries over the social security wage base.

### **MEMBERS AFTER AGE 70 (EXHIBIT II)**

The 1987 amendments to federal law prohibit the use of a mandatory retirement age for general employees and mandate retirement credit for service rendered after age 70.

Any member who remains in service after age 70 shall continue to participate in the retirement system and accrue creditable service; employees may not be prohibited from membership due to advanced age at the time of employment.

Any current member who reaches age 70 after July 1, 1987 must continue to participate in TCRS. Any TCRS member who has already ceased to make contributions or to accrue creditable service because of age will be given the option of beginning participation again as of July 1, 1987.

Any employee who was denied membership in TCRS due to advanced age at the time of hiring will be given the option of joining TCRS as of July 1, 1987. Any new employee hired after July 1, 1987 must be enrolled in the TCRS.

The granting of prior service credit for service after age 70 which was rendered before July 1, 1987 is still optional to political subdivisions. Service rendered after July 1, 1987 may be established by the member regardless if the resolution is passed. A political subdivision may pass a resolution accepting the liability for allowing its employees to establish previously denied credit for service after age 70.

If the political subdivision authorizes this credit, any employee who has previously been denied service credit because of age shall be entitled to establish retirement credit for this service by making a backpayment of the contributions he would have made had he been a member, plus interest.

In most situations, the cost of this optional provision to the employer should be minimal; however, the additional cost will be reflected in future biennial valuations.

### **OPTION I DEATH BENEFIT (EXHIBIT III)**

If a member dies in service after completing 10 years of creditable service, a retirement allowance will be paid to the surviving spouse if the spouse is designated as a beneficiary. The retirement allowance payable will equal the allowance which would have been payable under an effective election of Option I and will be computed as if the member had retired on the date of his death. The allowance payable shall be reduced by 4/10 of 1% for each month that the member's death precedes his service retirement date.

The estimated increase in the employer liability for this optional provision is minimal depending on actual usage. The employer contribution rate will not immediately increase, but the additional liability will be reflected in future biennial valuations.

### **MILITARY CREDIT (EXHIBIT IV)**

Retirement law allows a member to establish up to four years of credit for military service rendered under any one of three conditions, provided the member received a discharge other than dishonorable and the military service is not credited in any other retirement system including the Uniformed Services Retirement System. See Section 405(a) for complete explanation of this provision.

The actuary has estimated the cost of the political subdivision to be minimal depending on how many years of service are established. Passage of this resolution will not increase the employer contribution rate immediately but the additional liability will be reflected in future biennial valuations.

### **SICK LEAVE DAYS (EXHIBIT V)**

A political subdivision may allow its employees to include unused accumulated sick leave as creditable service in computing their retirement benefits. Each 20 days of accumulated sick leave shall equal one month of creditable service. The authorizing resolution must provide that the employer will assume liability for the cost.

The cost of granting sick leave credit to an individual depends on two things: the amount of sick leave credit granted and the final average earnings. The employer rate will not immediately increase due to passage of this resolution. As retiring employees receive credit for this service, the cost will be incorporated into the employer contribution rate at future biennial valuations.

### **BUY PROBATIONARY SERVICE (EXHIBIT VI)**

Employees who are required to work for a period not exceeding six months prior to becoming eligible for membership in the system may be allowed to purchase retirement credit for this period of service. If the governing body authorizes this credit, the member must make a lump-sum payment of the contributions he would have made had he been a member of the system during the required probationary period.

It is estimated that the employer liability will increase by \$3,400 for each year of service credited distributed over the lifetime of the plan. Passage of this resolution will not immediately increase your employer contribution rate but will be incorporated in future biennial valuations.

### **NONCONTRIBUTORY (EXHIBIT VII)**

The employer may assume the employee contributions to the retirement system of up to 5% of the employee's earnable compensation. The employer assumed employee contributions will be credited to the individual account balances of the employees provided the employee was a TCRS member and

employed by the political subdivision on the date which the employer elects to assume employee contributions to the retirement system.

The cost to provide a noncontributory retirement plan is an additional 5% added to the current employer contribution rate. The effective date of the noncontributory provisions will be the first day of any quarter provided the TCRS is notified at least three months in advance. More detailed information regarding this option should be requested from the TCRS prior to authorization.

#### **TWENTY-FIVE-YEAR EARLY RETIREMENT (EXHIBIT VIII)**

A political subdivision may allow its Group I members to retire at any age upon completion of 25 years of service. The benefit to be received by such a member prior to age 55 shall be the actuarial equivalent of the benefit which would be payable to the member at age 55. This is a permanent benefit reduction.

Authorization of this option will not increase retirement costs as the 25 year retirement benefit is the actuarial equivalent of the benefit currently provided at age 55.

#### **WITHDRAWAL (EXHIBIT IX)**

Upon giving at least one year's advance notice, a political subdivision may terminate, effective June 30 of the calendar year following the end of the notice period, its participation in the retirement system. Detailed information can be obtained from the TCRS regarding the rights of current members and retirees and the obligations which remain with the political subdivision after the withdrawal becomes effective.

#### **AGE 65 ACTUARIAL EQUIVALENT (EXHIBIT X)**

This optional provision provides an alternative method for calculating benefits for active members who work past age 65. These members will be entitled to the greater of either their benefit at the time they actually retire or the actuarial equivalent of the benefit which would have been payable if they had retired at age 65.

EXAMPLE:	<u>Actual Benefit Under the Formula</u>	<u>Actuarial Equivalent Benefit</u>
	Assume: Age 70	Benefit that would have been payable at age 65: \$1,262.62 (Assumes AFC \$31,000 Service 30 years.)
	AFC \$36,000	Actuarial Factor for Age 70: 1.76672
	Service 35 years	Actuarial Equivalent Benefit: \$2,230.69
	DOR 7/1/2000	
	Monthly Benefit: \$1,676.71	

In this particular situation, the retiree will be paid \$698.97 since the actuarial equivalent of the benefit payable at 65 with 30 years of service is greater than the actual benefit calculated under the formula based on 35 years of service.

Generally, the actuarial equivalent benefit provision will be beneficial to members retiring between age 65 and 70 with 30 or more years of service.

Based on the actuary's review of political subdivision employees currently over age 65, the cost of providing an actuarial equivalent benefit after age 65 will not be significant. This optional provision could increase your retirement liability in the event you have employees working beyond age 65 with more than 30 years of service.

## **PART-TIME EMPLOYEES (EXHIBIT XI)**

The provisions regarding the participation of part-time employees are as follows:

1. Any person employed in a part-time position (except substitute teachers who are not under contract and not scheduled to work the same time as a regular teacher) may elect to join the TCRS by filing a TCRS membership form. TCRS membership is optional for part-time employees and mandatory for full-time employees.
2. Upon passage of this resolution all part-time employees must be covered by social security regardless of whether they elect to participate in the TCRS. The 2000 employee and employer contribution rate for social security is 7.65%. If you have any questions, please contact Mary Smith, Director of OASI, at (615) 741-7902.
3. The part-time employee's date of TCRS membership shall be the date the application is filed with the TCRS.
4. Service credit for part-time employment shall be determined on a monthly basis in direct proportion to the full-time schedule of a regular employee as certified by the employer. (Example: If a full-time employee works 40 hours a week and receives one month of retirement credit for such service, a part-time employee working 20 hours a week will receive one-half month of retirement credit per month.) Employees subject to receive 10-year vesting who work half time will have to work 20 years in order to accrue 10 years of creditable service. The pro-rata service should be included on your magnetic tapes or turnaround document.
5. Any part-time employee joining the TCRS may establish retirement credit for previous service rendered as a part-time employee upon making application for such service with the TCRS Board of Trustees under the following conditions:
  - a. If such service is claimed within one year of the member's date of membership or the date the resolution is passed, whichever is later, the member may establish retirement credit for service rendered as a part-time employee which has not been previously refunded upon a payment of contributions which would have been made had he been a member.
  - b. If such service is not established within the time specified in (a) above or if the member has been refunded for such service, then it may be established upon a payment of contributions plus interest at the rate of 7½% per annum.
  - c. A member establishing retirement credit under the provisions of this bill must establish credit for all service which is creditable. If the political subdivision authorized retirement credit for service rendered prior to its date of participation, the same conditions shall apply to employees employed on the participation date who have part-time service prior to the participation date. (Example: If the political subdivision purchased 10 years of prior service for each employee,



then the political subdivision must purchase the equivalent of 10 years of prior service for its part-time employees who elect to become members.)

The employer cost to authorize TCRS participation for part-time employees will be your employer contribution rate currently in effect times the total salary paid to part-time employees.

#### **EXCLUDE RETIREMENT COVERAGE TO PART-TIME EMPLOYEES (EXHIBIT XII)**

In addition, employers who currently authorize part-time employees to participate may exclude retirement coverage to future hires by passage of the appropriate resolution.

#### **MINIMUM BENEFIT (EXHIBIT XIII)**

This optional provision provides an increase in the minimum benefit for retired and active employees with 10 or more years of service. The increase in the benefit is as follows:

	<u>"Old" Minimum</u>	<u>"New" Minimum</u>
Class A and Group I	\$7.00	\$8.00
Class B	\$7.66	\$8.66

The dollar figure in the above chart is the payment to be received per month for each year of creditable service rendered; however, in no case shall the minimum benefit exceed 100% of the member's Average Final Compensation (AFC).

The increase in the minimum benefit will provide a significant increase in benefits received by members who retired with a five year average salary of \$6,400 or less. The majority of the financial impact will be for retirees who have been retired for several years and for retired and active bus drivers and cafeteria workers. The following is an example of the effect of the increased minimum benefit:

Assume: Group I Member Service: 30 Years

	<u>Old Monthly Benefit</u>	<u>New Monthly Benefit</u>
Base Benefit	(30 x \$7.00) \$210	(30 x \$8.00) \$240.00

For political subdivisions which have elected to provide cost-of-living adjustments, the new monthly minimum benefit will become the new base upon which all future cost-of-living adjustments will be calculated.

The resolution to authorize this increase must be passed prior to May 15 in order to be effective July 1.

#### **414(H) PLAN (EXHIBIT XIV)**

The 414(h) provisions exempt the employee's retirement contributions from federal withholding by reducing the taxable wages. This effectively defers payment of income taxes on contributions until later received in the form of a refund or retirement benefits.



For example, assume a married employee with three exemptions earns \$2,000 per month and that retirement, social security and withholding are the only regular deductions from gross pay.

	<u>Gross Salary</u>	<u>Retirement (5%)</u>	<u>Social Security (7.65%)</u>	<u>Federal Tax Withholding</u>	<u>Net Pay</u>
Without 414(h) Plan	\$2,000.00	\$100.00	\$153.00	\$195.50	\$1,551.50
With 414(h) Plan	\$2,000.00	\$100.00	\$153.00	\$180.50	\$1,566.50

In this example, the employee's net pay increases by \$15.00 as a result of this change. Your reporting to TCRS and OASI will not change while there will be a change in the reporting to IRS as shown on the following page.

	<u>Reportable Salary</u>	<u>Contribution/Deduction</u>
TCRS	\$2,000.00	\$100.00
OASI	2,000.00	150.20
IRS	1,900.00	180.50

Implementation of the 414(h) plan will have no adverse effect on retirement or social security benefits payable to employees. The only difference will be that taxable wages reported to the IRS will be reduced by the amount of the retirement contributions resulting in increased "take home" pay for employees.

This plan will be effective the first full month after passage of the resolution and is an excellent way to increase the net pay of your employees at little or no cost to the employer.

#### **PROVIDE COST-OF-LIVING BENEFITS (EXHIBIT XV)**

This optional provision amends the retirement law giving political subdivisions, who in the past have excluded cost-of-living benefits, an option to now provide cost-of-living benefits.

Any retired member who has retired for at least twelve months on July 1 of each year is eligible to receive an increase in retirement benefits based on the Consumer Price Index. If the Consumer Price Index reflects a change in the cost of living by as much as 1% in any calendar year, all retired members will receive an adjustment equal to the Consumer Price Index, not to exceed 3%, the following July 1. The adjustment is computed on the member's most recent benefit.

Prior to approval of this optional provision, the chief governing body of the political subdivision must pass a resolution authorizing and agreeing to pay for an actuarial study to determine the estimated increase in the political subdivision's liability to their retirement plan. A second resolution must be passed by a two-thirds majority of the chief governing body to elect to provide the cost-of-living increase. The increase in benefits will become effective the following July 1 after adoption of this resolution. No retroactive cost-of-living benefits will be paid.

#### **EXCLUDE COST-OF-LIVING (EXHIBIT XVI)**

A political subdivision may elect to discontinue cost-of-living adjustments only for all employees employed after the effective date of the resolution. This optional provision must be authorized prior to April 1 in order to be effective on July 1.

**1987 AD HOC BENEFIT INCREASE (EXHIBIT XVII)**

This optional provision allows political subdivisions to pass a resolution to authorize an increase to be paid to certain retirees effective July 1 of any given year. The law provides that the retiree's monthly retirement allowance will increase in accordance with the following schedule:

<b>Date of Retirement</b>	<b>Increase Per Year of Service</b>
On or Before 6/30/73	\$1.18
7/1/73 - 6/30/75	.94
7/1/75 - 6/30/78	.48
7/1/78 - 6/30/80	.28

Example: A retiree who retired on February 1, 1976 with 15 years of service will be paid an additional \$7.20 per month (15 years x .48).

A political subdivision authorizing the 1987 Ad Hoc increase that has previously adopted that 1985 increase is, in effect, upgrading the 1985 increase to the 1987 level. In addition, the law provides that the increase in the monthly retirement benefit will be paid in addition to any other type of cost-of-living increase currently authorized. The benefit increase will be effective July 1 of any given year and shall continue to be paid thereafter. This increase will apply to all general employees in addition to Group II firemen and policemen.

The governing body of a political subdivision must pass the resolution prior to July 1 of any given year in order for this provision to be effective on July 1.

More detailed information regarding this option should be requested from the TCRS prior to authorization.

**SERVICE CREDIT FOR TEMPORARY DISABILITY (EXHIBIT XVIII)**

This optional provision allows a political subdivision to authorize their employees who are TCRS members to establish retirement credit for periods of time when the employee was receiving temporary disability benefits under a worker's compensation program. The employee must return to active service or retire immediately following cessation of the temporary disability benefits. No member may receive more than one year of retirement credit for each occurrence of temporary disability.

In order to establish this retirement credit, the employee is required to make a lump-sum payment of the contributions that would have been made on the employee's salary in effect immediately in prior to the disability, plus 7½% interest.

**MEDICARE SUPPLEMENT PROGRAM (EXHIBIT XIX)**

This optional provision allows retired employees the right to participate in the Medicare Supplement Program and have the employer make contributions toward the expense of such coverages. The Medigap program is open to retirees who are currently receiving a benefit from TCRS and who are covered by Medicare benefits. This program was designed to provide coverage for services which are only partially covered by Medicare.

If the political subdivision elects to provide funding toward the cost of this program, it will be required to contribute at the same level as the state contributes on behalf of its retired employees, which is currently:

<u>Years of Service</u>	<u>Employer Monthly Supplement</u>
0-14 years	\$ 0.00
15 -19 years	20.00
20 -29 years	30.00
30 years or more	40.00

If the amount of state funding increased or decreases, the political subdivision's funding level will also change.

#### **FIVE YEAR VESTING (EXHIBIT XX)**

This optional provision allows a member to qualify for service or early retirement benefits after completing five years of creditable service. This reduces the Group I vesting requirements from ten years to five years.

The requirements for service retirement would be age sixty with five years of service or any age upon completion of thirty years. An individual who retires with at least five years of service at age 60 would be entitled to an unreduced benefit based on their actual years of service. Members retiring after age 55 but prior to age 60 will be reduced in accordance with early factor of .4% for each month the member lacks attainment of age 60 and the service reduction factor of 15% for each year the member lacks attainment of ten years. Implementation of 5 year vesting does not affect eligibility requirements for continuation of insurance or the Option I Death Benefits.

Our actuary has estimated that the five year vesting will increase your current employer contribution rate by an additional .27% of covered payroll. If your political subdivision adopts this optional provision, the increase in the employer rate will be effective the first of the month following passage of the resolution.

#### **DEATH AND DISABILITY BENEFITS FOR INACTIVE MEMBERS (EXHIBIT XXI)**

This optional provision extends death and disability benefits to inactive members of the TCRS. Prior to this change, members were required to be in service at the onset of a disabling condition or upon death in order to be entitled to benefits.

The practical effect of this change is to authorize disability benefits equal to the actuarial value of what would be paid at age 55. In the case of death, this change authorizes Option II benefits (50% survivorship) to a surviving spouse if such spouse is named as the beneficiary.

Our actuary has estimated that the inactive death and disability benefits will increase your current employer contribution rate by .11% of the covered payroll. If your political subdivision adopts this provision, the increase in the employer rate will be effective the first of the month following passage of the resolution.

#### **BENEFIT IMPROVEMENT PERCENTAGE (BIP) - (EXHIBIT XXII)**

This optional provision permits political subdivisions to authorize a 5% increase in the base retirement benefit for active and retired members of the Tennessee Consolidated Retirement System (TCRS).

The effect of this legislation is to increase the retiree's base retirement benefit by 5%. For example, an individual whose base benefit is \$100 will realize a \$5 increase if the provision is adopted, making the

new base benefit \$105. This increase will apply to those already retired and those who retire in the future.

The cost of this provision will be provided by the TCRS upon request. There is no deadline for the passage of the resolution; however, the benefit improvement will only be prospective. The effective date of this benefit improvement, if a resolution is passed after January 1, will be the first of the month following receipt of the resolution by the TCRS. For example, if the resolution is passed by the governing body on February 15, and the TCRS does not receive the resolution until March 15, the effective date of the provision will be April 1. No retroactive benefit payments are authorized.

#### **GROUP II 30 YEARS - (EXHIBIT XXIII)**

A participating political subdivision employing Group II Public Safety Officers (fire & police) may allow a service retirement (unreduced benefit) upon completion of 30 years creditable service by passage of the required resolution.

#### **MANDATORY RETIREMENT AND SUPPLEMENTAL BRIDGE BENEFIT - (EXHIBIT XXIV & XXV)**

A participating political subdivision may adopt a mandatory retirement age of 62 or above for public safety officers (fire & police) by passage of the required resolution.

In addition, a mandatory retirement age for public safety officers may be established for any age prior to 62 whereby a supplemental bridge benefit is payable from the greater of age 60 or the age at which mandatory retirement is set through the onset of old age and survivors benefits under Title II of the Federal Social Security Act, currently age 62. The supplemental bridge benefit is equal to .75% of the members average final compensation multiplied by the member's years of public safety service established in the TCRS. An automatic increase in the employer contribution rate will be required to establish a mandatory retirement age of no greater than 60, an increase of .83% for age 61. There is no increase in the employer contribution rate if the mandatory retirement age is set at 62 or above.

It is highly recommended that a participating political subdivision contact TCRS when considering the establishment of a mandatory retirement age for public safety officers.

#### **LINE-OF-DUTY DEATH BENEFIT (EXHIBIT XXVI)**

The surviving spouse or surviving minor children of an in-service member who dies as the result of an accident or physical violence occurring in the performance of duty will be entitled to a benefit equal to 52.5 percent of the member's average final compensation, provided the spouse or the surviving minor children are named as the member's beneficiary. This provision provides guaranteed minimum benefits of \$50,000. If the member's spouse is named as beneficiary and the spouse dies, the benefit will continue to the minor children until they reach age 18 or die.

**Tennessee Consolidated  
Retirement System**

**EXHIBIT I**

**A RESOLUTION**

to limit contributions for employees of a political subdivision participating in the Tennessee Consolidated Retirement System in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, the Tennessee Code Annotated Section 8-37-202(a)(4) permits a political subdivision to limit a Group I member's contribution rate to five percent (5%) of earnable compensation and five and one-half percent (5½%) of earnable compensation for Group II members; and

WHEREAS, all liabilities resulting from this Resolution shall be the responsibility of the political subdivision and not the state of Tennessee;

NOW THEREFORE, BE IT RESOLVED that the \_\_\_\_\_  
(Name of Governing Body)  
of \_\_\_\_\_ hereby authorizes to limit contributions for those specified  
(Name of Political Subdivision)  
employees pursuant to Tennessee Code Annotated Section 8-37-202(a)(4).

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)  
\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

R054FS09

# Tennessee Consolidated Retirement System

## EXHIBIT II

A RESOLUTION to authorize a member to establish lost service credit in the Tennessee Consolidated Retirement System due to advanced age restrictions in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, Tennessee Code Annotated Section 8-35-203(b)(1) authorizes a participating political subdivision to allow any employee previously denied service credit due to advanced age to establish such service; and

WHEREAS, the employee will be required to establish such credit by making a lump-sum payment of the contributions he would have made had he been a member of the system during the period claimed plus interest at the rate provided for in Tennessee Code Annotated, Section 8-37-214;

NOW THEREFORE, BE IT RESOLVED, that the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_ hereby authorizes the provisions of Tennessee Code Annotated  
(Name of Political Subdivision)  
Section 8-35-203(b)(1) as it relates to said service credit and accepts the associated liability.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

R054FS10

**Tennessee Consolidated  
Retirement System**

**EXHIBIT III**

A RESOLUTION to authorize a member's spouse to be eligible for an Option I death benefit for employees of a political subdivision participating in the Tennessee Consolidated Retirement System in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, the Tennessee Code Annotated Section 8-36-109 (b) allows a spouse of a member who dies in service with a minimum of ten (10) years of service to be eligible for a retirement allowance computed under Option I and reduced four-tenths of one percent (4/10%) for each month by which the member's death precedes his service retirement date,

NOW THEREFORE, BE IT RESOLVED, that the \_\_\_\_\_  
(Name of Governing Body)

of \_\_\_\_\_ hereby authorizes the Automatic Option I death  
(Name of Political Subdivision)

benefit pursuant to Tennessee Code Annotated Section 8-36-109(b).

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

R054FS11



**EXHIBIT IV****Tennessee Consolidated Retirement System**

A RESOLUTION to allow credit in the Tennessee Consolidated Retirement System for certain periods of military service rendered in the armed forces of the United States.

WHEREAS, T.C.A. § 8-34-605 authorizes a political subdivision participating in the Tennessee Consolidated Retirement System ("TCRS") to allow its employees to establish retirement credit for certain military service rendered in the armed forces of the United States; and

WHEREAS, said Section allows any such employee who is a member or retired member of TCRS, who served in the armed forces of the United States at any time from 10/15/40 through 5/7/75, to establish retirement credit for such military service on the basis of 1 day of creditable service for each 2 days of military service rendered. The member must pay the employee contributions to establish the service based upon a contribution rate of 9% which is applied to the member's earnable compensation at the time of the claim, or if not in service at the time of the claim, the member's earnable compensation at termination of employment; and

WHEREAS, said Section also allows any such member who establishes the above military service to establish an additional 6 months of retirement credit for any military service rendered in the armed forces of the United States during the periods specified above for which the employee did not receive credit in TCRS. To receive such additional credit, the member must pay employee contributions for the service based upon a contribution rate of 12% which is applied to the member's earnable compensation at the time of the claim, or if not in service at the time of the claim, the member's earnable compensation at termination of employment; and

WHEREAS, Section 8-34-605 further allows any such member who served in the armed forces of the United States during a period of armed conflict to establish retirement credit for such service without charge. Said Section defines "period of armed conflict" as: WW I 4/7/17 - 11/11/18; WW II 12/7/41 - 12/31/46; Korean Conflict 6/27/50 - 1/31/55; and Vietnam Era 2/28/61 - 5/7/75; and

WHEREAS, credit for any of the above military service is conditioned upon the following: (1) the credit cannot be established in any other retirement system; (2) the member was honorably discharged from such military service; (3) the credit is granted conditionally upon the member becoming vested; prior to vesting, the credit may not be used to establish any rights under TCRS; and (4) the total amount of credit granted for such military service cannot exceed an aggregate of 4 years.

NOW THEREFORE, BE IT RESOLVED, that the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_ hereby authorizes its employees to establish retirement credit for the above  
(Name of Employer)  
military service under the foregoing provisions and agrees to accept the associated liability.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of \_\_\_\_\_,  
(Name of Governing Body) (County and Town or City)

Tennessee do hereby certify that this is a true and exact copy of the foregoing resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

R054FS19

## EXHIBIT IVb

Tennessee Consolidated  
Retirement System

A RESOLUTION to authorize retirement credit for military service rendered in the armed forces of the United States during the Persian Gulf War in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, Tennessee Code Annotated, Section 8-34-605(c)(1)(A)(ii) provides that any member who leaves or left services with the state of Tennessee or any political subdivision participating pursuant to Tennessee Code Annotated, Title 8, Chapter 35, Part 2 in order to perform military duty in the armed forces of the United States during the Persian Gulf War, and who is reemployed by the state of Tennessee or a participating political subdivision within six (6) months after being relieved of such military duty shall have the option to establish retirement credit for such military service without charge to the member. The Persian Gulf War means the period from and including August 2, 1990 to the date thereafter prescribed by presidential proclamation or by federal law.

WHEREAS, credit for such military service may only be granted under the following conditions:

1. The credit cannot be established in any other retirement system;
2. The member was honorably discharged from such military service;
3. The credit shall be granted conditionally upon the member becoming vested; prior to vesting, the credit may not be used to establish any rights under this system; and
4. In no case shall retirement credit granted for such military service combined with any other military service credit granted exceed an aggregate of four (4) years.

NOW THEREFORE, BE IT RESOLVED, That the \_\_\_\_\_  
(Name of Governing Body)  
of \_\_\_\_\_ hereby authorizes the provisions of Tennessee Code Annotated,  
(Name of Political Subdivision)

Section 8 34 605(c)(1)(A)(ii) and agrees to accept the associated liability.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

SEAL

R054FS29

# Tennessee Consolidated Retirement System

## EXHIBIT V

A RESOLUTION to authorize retirement credit for sick leave for employees of a political subdivision participating in the Tennessee Consolidated Retirement System in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, the Tennessee Code Annotated Section 8-34-604(c), permits a political subdivision to allow their employees, upon retirement, who have any unused accumulated sick leave to be credited with such accrued leave as creditable service; and

WHEREAS, the sick leave policy is \_\_\_\_\_  
(Explain Sick Leave Policy)

\_\_\_\_\_, and

WHEREAS, all liabilities resulting from this Resolution shall be the responsibility of the political subdivision and not the State of Tennessee.

NOW THEREFORE, BE IT RESOLVED, that the \_\_\_\_\_  
(Name of Governing Body)

of \_\_\_\_\_ hereby authorizes retirement credit  
(Name of Political Subdivision)

for unused accumulated sick leave pursuant to Tennessee Code Annotated Section 8-34-604(c).

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

**Tennessee Consolidated  
Retirement System**

**EXHIBIT VI**

A RESOLUTION to allow purchase of service lost during a required probationary period for employees of a political subdivision participating in the Tennessee Consolidated Retirement System in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, the Tennessee Code Annotated Section 8-34-612 permits a political subdivision to allow its employees, who lost retirement credit while serving a required probationary period not exceeding six (6) months, to purchase said service except where provided in Tennessee Code Annotated Section 8-35-107(b); and

WHEREAS, the employee will make a lump sum payment of the contributions he would have made had he been a member of said retirement system; and

WHEREAS, all liabilities resulting from this Resolution shall be the responsibility of the political subdivision and not the State of Tennessee; now, therefore,

BE IT RESOLVED, that the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_ hereby authorizes its employees to purchase lost retirement credit  
(Name of Political Subdivision)  
during a required probationary period pursuant to Tennessee Code Annotated Section 8-34-612.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)  
resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

MEMR080

# Tennessee Consolidated Retirement System

## EXHIBIT VII

A RESOLUTION to authorize a political subdivision participating in the Tennessee Consolidated Retirement System to provide a noncontributory retirement plan in accordance with Title 8 section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, Tennessee Code Annotated Section 8-34-206(d) permits a political subdivision to assume the employee's contributions; and  
WHEREAS, effective \_\_\_\_\_, 20\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_ elects to  
(Name of Governing Body) (Name of Political Subdivision)

assume and make its employee's contributions to the retirement system of up to five percent (5%) of the employee's earnable compensation on behalf of all its employees in all departments; and

WHEREAS, the employee contributions paid by the employer shall be credited to the member's account provided the employee is a member of the Tennessee Consolidated Retirement System and employed by the participating political subdivision on the effective date specified above and that these contributions made on behalf of the member will be refunded to the member together with any contributions made by the member in the event the member terminates employment and makes application for a refund of contributions; and

WHEREAS, the political subdivision has the option to waive the established temporary period of employment for all employees who have not completed such period prior to \_\_\_\_\_, 20\_\_\_\_. The employee shall immediately become a member of the retirement system and be eligible for a refund of the employer assumed employee contributions upon termination of employment, and the employee's election not to receive a retirement allowance if such allowance is due; and

WHEREAS, should the employer elect to retain the established temporary period of employment for all employees who have not completed such period prior to \_\_\_\_\_, 20\_\_\_\_; said employee will be ineligible for a refund of the employer assumed employee contributions to the retirement system on the effective date of this resolution. With full knowledge and understanding of the foregoing provision, the \_\_\_\_\_ elects to \_\_\_\_\_ the temporary period of employment for those employees  
(Name of Political Subdivision) (Waive/Retain)  
affected by this resolution; and

WHEREAS, all liabilities resulting from this Resolution shall be the responsibility of the political subdivision and not the state of Tennessee;

NOW THEREFORE, BE IT RESOLVED, That the \_\_\_\_\_ of \_\_\_\_\_  
(Name of the Governing Body) (Name of Political Subdivision)

hereby authorizes to assume the employee's contributions of up to five percent (5%) of their earnable compensation pursuant to Tennessee Code Annotated Section 8-34-206(d).

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing resolution that was  
(County and Town or City)

approved and adopted at a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

R054FS53

**Tennessee Consolidated  
Retirement System**

**EXHIBIT VIII**

A RESOLUTION to allow Group I early twenty-five (25) year reduced retirement for employees of a political subdivision participating in the Tennessee Consolidated Retirement System in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, Tennessee Code Annotated Section 8-36-301(a) permits any member in Group I to be eligible for a reduced retirement benefit upon completion of twenty-five (25) years of creditable service; and

WHEREAS, the benefit payable to a member prior to age fifty-five (55) shall be the actuarial equivalent of the retirement benefit which would be payable to the member at age fifty-five (55); and

WHEREAS, all liabilities resulting from this Resolution shall be the responsibility of the political subdivision and not the State of Tennessee.

NOW THEREFORE, BE IT RESOLVED, that the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_ hereby authorizes to provide Group I members with a reduced  
(Name of Political Subdivision)  
retirement benefit upon completion of twenty-five (25) years of creditable service pursuant to Tennessee Code Annotated Section 8-36-301(a).

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)  
resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

R054FS14

**Tennessee Consolidated  
Retirement System****EXHIBIT IX**

A RESOLUTION to voluntarily withdraw participation from the Tennessee Consolidated Retirement System pursuant to Tennessee Code Annotated, Section 8-35-218.

WHEREAS, Tennessee Code Annotated, Section 8-35-218 provides that upon giving at least one (1) year's advance notice in writing to the Tennessee Consolidated Retirement System (the Retirement System), a political subdivision may terminate, effective June 30 of the calendar year following the end of the notice period, its participation in the Retirement System, under the following terms and conditions:

- (1) The political subdivision submits a resolution to withdraw from the Retirement System, legally adopted by two thirds (2/3) of the membership of the chief legislative body of the political subdivision;
- (2) The withdrawal applies to all departments of the political subdivision; and
- (3) Such resolution to withdraw may be withdrawn by a resolution legally adopted and approved by the chief legislative body of the political subdivision at any time prior to the expiration of the one (1) year notice period.

WHEREAS, the employee rights to participate in the Retirement System after the effective date of the withdrawal shall be governed by the following terms and conditions:

- (1) Employees who are members of the Retirement System shall have thirty (30) days after such withdrawal resolution becomes effective to elect to withdraw from the Retirement System and receive a refund of their accumulated contributions. Such election shall be on a form prescribed by the Retirement System. Any member not electing to withdraw shall continue membership until termination of employment, with the employer being liable for contributions and benefits as contained herein;
- (2) An employee who is not yet a member but is serving a probationary period pursuant to Tennessee Code Annotated, Section 8-35-107 on the date the withdrawal becomes effective shall have such probationary period waived and shall have thirty (30) days to elect to participate in the Retirement System with the employer being liable for contributions as herein provided;
- (3) Employees who are hired after the effective date of the resolution shall not be permitted to participate in the Retirement System;
- (4) Any employee who continues participation in the Retirement System shall not be eligible to participate in any other retirement system provided by the employer;
- (5) Any employee who withdraws service rendered to such employer shall not later be permitted to establish that service with the Retirement System;
- (6) An employee of the withdrawing political subdivision shall not be permitted to retire, begin receiving a benefit, and continue working with the same employer; and
- (7) All employees continuing participation in the Retirement System, including retired employees, shall be entitled to benefits according to the political subdivision's retirement plan as it exists on the date of withdrawal.



WHEREAS, the political subdivision's responsibilities and liabilities after withdrawal are as follows:

(1) An actuarial valuation shall be completed by the Retirement System's actuary to determine the appropriate employer contributions to be made to the plan based on a level dollar contribution for the longer of the average working life of the remaining members; or twenty (20) years. The level dollar contribution amount shall be remitted monthly to the Retirement System and the biennial valuation shall continue to be performed;

(2) All employer and employee contributions, together with investment earnings made on behalf of participating employees must be equal to or exceed benefits which will be paid out. Employer contributions may be adjusted monthly to provide benefits;

(3) Any liabilities resulting from this resolution shall be a liability of the political subdivision and not the State. Should any required costs become delinquent, the commissioner of finance and administration, at the direction of the board of trustees of the Retirement System, is authorized to withhold such amount or part of such amount from any state-shared taxes which are otherwise apportioned to the political subdivision; and

(4) The political subdivision may elect at a later date to rejoin the Retirement System in accordance with Tennessee Code Annotated, Section 8-35-201; provided, however, any such resolution to rejoin shall be irrevocable and the political subdivision shall not later be permitted to withdraw under the provisions of this section.

NOW THEREFORE, BE IT RESOLVED, that the \_\_\_\_\_ of  
(Name of Political Subdivision)

\_\_\_\_\_ hereby terminates its participation in the Retirement System pursuant  
(Name of Chief Legislative Body)

to the terms and conditions set forth above.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

# Tennessee Consolidated Retirement System

## EXHIBIT X

A RESOLUTION to provide an age sixty-five (65) actuarial equivalent benefit to retirees over age sixty-five (65) of a political subdivision participating in the Tennessee Consolidated Retirement System in accordance with Title 8 section 34 through 37.

WHEREAS, Tennessee Code Annotated Section 8-36-208 permits a political subdivision to allow their employees who remain in service after age sixty-five (65) to receive a retirement benefit equal to the greater of the service retirement benefit calculated under the provisions of Tennessee Code Annotated Section 8-36-206 or 8-36-209; and

WHEREAS, the benefit outlined in this section is the actuarial equivalent of the benefit which would have been payable to the member at age sixty-five (65); and

WHEREAS, such benefit shall be based on the member's age on his effective date of retirement; and

WHEREAS, such benefit shall not exceed that payable at age 70; and

WHEREAS, this Resolution will apply to all members retiring after its effective date; and

WHEREAS, all liabilities resulting from this Resolution shall be the responsibility of the political subdivision and not the State of Tennessee.

NOW THEREFORE, BE IT RESOLVED, that the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_ hereby authorizes to provide an actuarial equivalent benefit  
(Name of Political Subdivision)  
to retirees over age sixty-five (65) pursuant to Tennessee Code Annotated Section 8-36-208.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

R054FS17

**Tennessee Consolidated  
Retirement System**

**EXHIBIT XI**

A RESOLUTION to authorize part-time employees of political subdivisions to participate in the Tennessee Consolidated Retirement System in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, Tennessee Code Annotated Section 8-35-219 permits political subdivisions to allow their part-time employees to participate in the Tennessee Consolidated Retirement System if said employee shall choose to do so; and

WHEREAS, service credit for part-time employment shall be determined on a monthly basis in direct proportion to the full-time schedule of a regular employee as certified by the employer; and

WHEREAS, any part-time employee joining the Tennessee Consolidated Retirement System may establish retirement credit for previous service rendered as a part-time employee upon making application for such service with the Tennessee Consolidated Retirement System Board of Trustees; and

WHEREAS, all liabilities resulting from this Resolution shall be the responsibility of the political subdivision and not the State of Tennessee; now, therefore,

BE IT RESOLVED, That the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_ hereby authorizes part-time employees to participate in the  
(Name of Political Subdivision)

Tennessee Consolidated Retirement System pursuant to Tennessee Code Annotated Section 8-35-219.

STATE OF TENNESSEE  
COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

R054FS18

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

# Tennessee Consolidated Retirement System

## EXHIBIT XII

**AREOLUTION** to exclude retirement coverage for future part-time employees of political subdivisions participating in the Tennessee Consolidated Retirement System in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, Tennessee Code Annotated Section 8-35-219 permits political subdivisions to allow their part-time employees to participate in the Tennessee Consolidated Retirement System if said employee shall choose to do so; and

WHEREAS, Chapter 79, Public Acts of 1999 allows a political subdivision participating in the Tennessee Consolidated Retirement System to exclude such coverage for future part-time employees; provided, any person participating in the Tennessee Consolidated Retirement System by virtue of part-time service prior to the effective date of this resolution shall be eligible for continued participation in the Tennessee Consolidated Retirement System,

BE IT RESOLVED, That the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_ hereby chooses to exclude retirement coverage to future  
(Name of Political Subdivision)  
part-time employees pursuant to Tennessee Code Annotated Section 8-35-219.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

R054FS18

**Tennessee Consolidated  
Retirement System**
**EXHIBIT XIII**

A RESOLUTION to adopt the increased minimum benefit provisions for employees of a political subdivision participating in the Tennessee Consolidated Retirement System in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, the Tennessee Code Annotated Section 8-36-209 permits a political subdivision to increase the guaranteed minimum retirement benefit for its employees and retirees; and

WHEREAS, such law will increase the monthly minimum benefit for Group I and Class A members and retirees with ten (10) or more years from \$7.00 to \$8.00 for each year of service and for Class B member and retirees with ten (10) or more years of service from \$7.66 to \$8.66 for each year of service; and

WHEREAS, for this increased benefit to apply to retirees on the next July 1, this Resolution must be passed by May 15 of the given year; and

WHEREAS, all liabilities resulting from this Resolution shall be the responsibility of the political subdivision and not the State of Tennessee.

NOW THEREFORE, BE IT RESOLVED , that the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_ hereby authorizes the increased minimum benefit provisions for its  
(Name of Political Subdivision)

employees pursuant to Tennessee Code Annotated Section 8-36-209.

STATE OF TENNESSEE  
COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

R054FS20

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

# Tennessee Consolidated Retirement System

## EXHIBIT XIV

A RESOLUTION to authorize the provisions of code section 414(h) of the Internal Revenue Code for employees of a political subdivision participating in the Tennessee Consolidated Retirement System in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, Tennessee Code Annotated Section 8-37-216 allows participating employers to pick up the employee contributions required by the Tennessee Code Annotated Section 8-37-202; and

WHEREAS, these contributions shall not be included in the gross income of the employee until they are distributed or made available to him; and

WHEREAS, all eligible employees will be included; and

WHEREAS, the employee shall not have an option of choosing to receive the contributions in the form of cash or cash equivalents instead of having them paid by the employer into the retirement system; and

WHEREAS, the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code of 1954.

NOW THEREFORE, BE IT RESOLVED, That the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_ hereby elects to pick up employee contributions under the  
(Name of Political Subdivision)

provisions of Tennessee Code Annotated Section 8-37-216, and that such contributions will be treated as employer contributions under the provisions of Internal Revenue Code Section 414(h).

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

**Tennessee Consolidated  
Retirement System**
**EXHIBIT XV**

A RESOLUTION to allow geometric cost-of-living benefits for employees of employers participating in the Tennessee Consolidated Retirement System pursuant to Title 8, Chapter 35, Part 2 of the Tennessee Code Annotated.

WHEREAS, Tennessee Code Annotated, Section 8-35-207 authorizes the chief governing body of any employer participating in the Tennessee Consolidated Retirement System pursuant to Title 8, Chapter 35, Part 2 of the Tennessee Code Annotated to elect to provide geometric cost-of-living benefits in accordance with Tennessee Code Annotated, Section 8-36-701 by adopting a resolution for an actuarial study and thereafter by adopting a resolution approved by a two-thirds (2/3) majority of the governing body to accept the associated liability and costs to provide such benefits; and

WHEREAS, the \_\_\_\_\_ of \_\_\_\_\_,

(Name of Governing Body)

(Name of Employer)

adopted a resolution for such an actuarial study, and the results of said study show that the increased liability for providing the geometric cost-of-living benefits for its employees is \$\_\_\_\_\_.

NOW, THEREFORE, BE IT RESOLVED that having reviewed the associated liability and cost to provide geometric cost-of-living benefits for its employees, the \_\_\_\_\_ of \_\_\_\_\_

(Name of Governing Body)

\_\_\_\_\_, hereby elects to provide such benefits to its employees in accordance \_\_\_\_\_,

(Name of Employer)

with Tennessee Code Annotated, Section 8-36-701 and agrees to accept the associated liability and costs thereof.

BE IT FURTHER RESOLVED that this increase in benefits shall become effective the following July 1 after the adoption of this resolution and that no retroactive benefits shall be paid under the provisions of this resolution.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of \_\_\_\_\_

(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing \_\_\_\_\_,

(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.

(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid



# Tennessee Consolidated Retirement System

## EXHIBIT XVI

A RESOLUTION to discontinue the cost-of-living benefit provisions of the Tennessee Consolidated Retirement System for future employees in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, \_\_\_\_\_, has elected to include their employees  
(Name of Political Subdivision)

in the Tennessee Consolidated Retirement System administered by the Treasury Department of the State of Tennessee; and

WHEREAS, Tennessee Code Annotated 8-36-701 provides that an annual cost-of-living benefit not to exceed three percent (3%) may be included in the retirement allowance of each retiree; and

WHEREAS, state law governing this retirement system requires that each participating employer include advance funding for cost-of-living benefits in its regular employer contribution; and

WHEREAS, to provide such a cost-of-living increase for employees requires a substantial amount of contribution to be paid; and

WHEREAS, the \_\_\_\_\_ believes that the basic retirement allowance  
(Name of Governing Body)

provisions of the Tennessee Consolidated Retirement System are sufficient to provide an equitable retirement allowance.

NOW THEREFORE, BE IT RESOLVED BY

\_\_\_\_\_  
(Name of Governing Body)

SECTION 1. That effective July 1 \_\_\_\_\_, the \_\_\_\_\_  
(Name of Political Subdivision)

shall discontinue the cost of living benefit provisions of the Tennessee Consolidated Retirement System for all future employees.

SECTION 2. That this election to discontinue cost-of-living benefits shall not apply to anyone employed or retired prior to the effective date of this resolution pursuant to the provisions of Tennessee Code Annotated Section 8-35-208(a).

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

R054FS15

**Tennessee Consolidated  
Retirement System**
**EXHIBIT XVII**

A RESOLUTION to authorize the 1987 Ad Hoc increase in retirement benefits to retirees of a political subdivision participating in the Tennessee Consolidated Retirement System in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, Tennessee Code Annotated Section 8-36-713(a)(2) allows participating political subdivisions to provide for retired general employees, firemen and policemen an increase in their monthly retirement benefit; and

WHEREAS, such increase shall be in lieu of any increase in benefits that may have been previously authorized pursuant to Tennessee Code Annotated Section 8-36-713(a)(1) and in accordance with the following schedule:

<u>Date of Retirement</u>	<u>Increase Per Year of Service</u>
On or Before 6/30/73	\$1.18
7/1/73 - 6/30/75	.94
7/1/75 - 6/30/78	.48
7/1/78 - 6/30/80	.28

WHEREAS, the increased monthly retirement benefit payable in accordance with this law shall be calculated without regard to the maximum benefit provision of T.C.A. 8-36-102; and

WHEREAS, the political subdivision will be responsible for the increased liability upon implementation of the new benefit level for its retirees; and

WHEREAS, the legislation permitting the increased benefit provides that in order for it to apply to a political subdivision, the chief governing body of the political subdivision must pass a resolution authorizing the increased benefit and accepting the liability therefor; and

NOW THEREFORE BE IT RESOLVED that the \_\_\_\_\_ of  
(Governing Body)

\_\_\_\_\_ hereby approves this resolution and agrees to accept the liability  
(Name of Political Subdivision)

therefor pursuant to the provisions of Tennessee Code Annotated Section 8-36-713(a)(1).

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

R054FS25

# Tennessee Consolidated Retirement System

## EXHIBIT XVIII

A RESOLUTION to authorize members of the Tennessee Consolidated Retirement System who receive temporary disability benefits under a workers' compensation program to establish retirement credit for the period of disability in accordance with Tennessee Code Annotated, Section 8-34-625.

WHEREAS, Tennessee Code Annotated, Section 8-34-625 authorizes a political subdivision participating in the Tennessee Consolidated Retirement System (Retirement System) to permit its employees who receive temporary disability benefits under a workers' compensation program maintained by the political subdivision to establish retirement credit for the period of disability;

WHEREAS, Tennessee Code Annotated, Section 8-34-625 sets forth four (4) conditions which must be met prior to allowing employees of a political subdivision to establish retirement credit for such period. Said conditions are as follows:

(1) After reviewing the liability information supplied by the Retirement System for the granting of such credit, the chief governing body of the political subdivision passes a resolution authorizing the credit for such employees and accepting the liability therefor;

(2) An employee desiring such credit returns to active service or retires immediately following cessation of the temporary disability benefits;

(3) An employee desiring such credit pays to the Retirement System in a lump sum the contributions the employee would have made to the Retirement System on the basis of the employee's salary in effect immediately prior to the period of disability, plus interest thereon at the rate provided in Tennessee Code Annotated, Section 8-37-214; and

(4) An employee may not be credited with such temporary disability period as creditable service at a rate exceeding one (1) year per occurrence of temporary disability.

NOW, THEREFORE, BE IT RESOLVED that having reviewed the liability information supplied by the Retirement System, the \_\_\_\_\_ of \_\_\_\_\_, Tennessee, hereby authorizes its employees who are members of the Retirement System to establish retirement credit for periods of temporary disability in accordance with Tennessee Code Annotated, Section 8-34-625, and accepts the liability therefor.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of \_\_\_\_\_  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

R054FS54

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

**Tennessee Consolidated  
Retirement System**
**EXHIBIT XIX**

A RESOLUTION to authorize a political subdivision to contribute toward the expense of supplemental medical insurance coverage for its eligible retired employees pursuant to Title 8, Chapter 27, Part 7 of the Tennessee Code Annotated.

WHEREAS, Tennessee Code Annotated Section 8-27-702 permits a political subdivision to make contributions toward the expense of supplemental medical insurance coverage for its retired employees who are covered by medicare benefits and who are drawing a monthly retirement allowance from the Tennessee Consolidated Retirement System; and

WHEREAS, said act requires that the amount, terms, and conditions of such contributions shall be, at all times, the same as that established by the state insurance committee pursuant to Tennessee Code Annotated Section 8-27-70 l(b); and

WHEREAS, effective \_\_\_\_\_, 20\_\_\_\_, the \_\_\_\_\_  
(Name of Political Subdivision)

of \_\_\_\_\_ elects to make such contributions on behalf of all its eligible retired  
(Name of Political Subdivision)

employees; and

WHEREAS, all liabilities resulting from the Resolution shall be the responsibility of the political subdivision and not the State of Tennessee;

NOW THEREFORE, BE IT RESOLVED, that the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_ hereby authorizes to make contributions toward the expense of supplemental  
(Name of Political Subdivision)

medical insurance coverage for its eligible retired employees pursuant to Tennessee Code Annotated Section 8-27-702.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

R054FS52

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

# Tennessee Consolidated Retirement System

## EXHIBIT XX

A RESOLUTION to authorize Group 1 members of the Tennessee Consolidated Retirement System to qualify for retirement benefits with five (5) years of creditable service in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated

WHEREAS, Tennessee Code Annotated Section 8-36-204(b)(2) provides that any individual who is a Group 1 member of the Tennessee Consolidated Retirement System by virtue of his employment with an employer participating in said System pursuant to Title 8, Chapter 35 of Tennessee Code Annotated must have a total of ten (10) years of creditable service to qualify for retirement benefits unless the chief governing body of such employer passes a resolution reducing the required years of service from ten (10) to five (5) and accepting the liability therefor.

NOW, THEREFORE, BE IT RESOLVED, that the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee hereby authorizes any of its Group I members of  
(Name of Political Subdivision)  
the Tennessee Consolidated Retirement System to qualify for retirement benefits upon attaining five (5) years of creditable service in accordance with Tennessee Code Annotated Section 8-36-204(b)(2), and hereby accepts the liability therefor.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

R054FS27

**Tennessee Consolidated  
Retirement System**
**EXHIBIT XXI**

A RESOLUTION to authorize the provisions of death and disability benefits on behalf of inactive members of the Tennessee Consolidated Retirement System in accordance with Title 8 Section 34 through 37 of the Tennessee Code Annotated.

WHEREAS, prior to passage of Tennessee Code Annotated Section 8-36-123, the retirement law provided for payment of death benefits to the spouse of a member who dies in service (defined as within 120 days of his last paid day of employment) after having completed ten (10) years or more of creditable service, provided the spouse is named as beneficiary. Death benefits were not payable to the spouse of an inactive member of the Tennessee Consolidated Retirement System since the law required the member to have been in service at the time of his death;

WHEREAS, Tennessee Code Annotated Section 8-36-123 provides such death benefits to the spouse of an inactive member who has completed ten (10) years of creditable service and whose death occurs on or after July 1, 1991. The death benefits also take the form of a monthly annuity. The annuity will equal the monthly annuity which would have been payable to the spouse had the member retired under the Option 2 payment plan, reduced by .4% for each month by which the member's death precedes his service retirement date;

WHEREAS, this section further provides disability benefits to such inactive members who have completed a minimum of five (5) years service credit in the Tennessee Consolidated Retirement System and who met the same disability standards as for active members. The amount of the disability benefits will equal an actuarial equivalent of an age fifty-five (55) benefit; and

WHEREAS, said Chapter provides that the death and disability benefits for such inactive members will not apply to members whose membership in the Tennessee Consolidated Retirement System is by virtue of their employment with a political subdivision unless the chief governing body of such political subdivision authorizes such benefits and assumes the liability therefor.

NOW, THEREFORE, BE IT RESOLVED, that the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee hereby authorizes and appropriates necessary funds for  
(Name of Political Subdivision)

providing death and disability benefits to inactive members in accordance with Tennessee Code Annotated Section 8-36-123.

STATE OF TENNESSEE  
COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

R054FS28

# Tennessee Consolidated Retirement System

## EXHIBIT XXII

A RESOLUTION to authorize certain active and retired members of the Tennessee Consolidated Retirement System and the Superseded State Retirement System to receive the five percent (5%) base retirement benefit increase adopted by the Board of Trustees of the Tennessee Consolidated Retirement System pursuant to Tennessee Code Annotated, Section 8-36-124.

WHEREAS, Tennessee Code Annotated, Section 8-36-124 authorized the Board of Trustees of the Tennessee Consolidated Retirement System to increase the base retirement benefit of certain active and retired state employees and teachers; and

WHEREAS, the Board of Trustees of the Retirement System adopted a five percent (5%) base retirement benefit increase to be effective for said state employees and teachers on January 1, 1994; and

WHEREAS, the governing body of any employer participating in the Tennessee Consolidated Retirement System pursuant to Tennessee Code Annotated, Title 8, Chapter 35, Part 2 may pass a resolution authorizing the five percent (5%) base retirement benefit increase for its active and retired employees who are receiving or will receive a retirement benefit as a member in any of the following groups and systems: Group I of the Tennessee Consolidated Retirement System, Group 2 of the Tennessee Consolidated Retirement System, or the Superseded State Retirement System; and

WHEREAS, the total liability for authorizing such increase for eligible retired and active employees of \_\_\_\_\_ is \$\_\_\_\_\_.

NOW, THEREFORE, BE IT RESOLVED, that having reviewed the liability associated with granting such an increase, the \_\_\_\_\_ of Tennessee hereby authorizes its active and retired employees who are \_\_\_\_\_ (Name of Governing Body) members in the groups and systems referenced above to receive the five percent (5%) base retirement benefit increase authorized by the Board of Trustees of the Tennessee Consolidated Retirement System effective the first business day of the month following the Retirement System's receipt of the resolution, and hereby accepts the liability therefor.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of \_\_\_\_\_ (Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing \_\_\_\_\_ (County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_ (Name of Political Subdivision).

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid



**Tennessee Consolidated  
Retirement System**
**EXHIBIT XXIII**

A RESOLUTION to authorize Group 2 members to be eligible for service retirement benefits from the Tennessee Consolidated Retirement System at any age upon completion of thirty (30) years of creditable service.

WHEREAS, prior to July 1, 1998, a Group 2 member of the Tennessee Consolidated Retirement System was eligible for a service retirement allowance pursuant to Tenn. Code Ann. § 8-36-201 upon satisfying one (1) of two (2) conditions; namely, attainment of sixty (60) years of age and completion of ten (10) years of creditable service, *or* upon attainment of fifty-five (55) years of age and completion of twenty-five (25) years of creditable service; and

WHEREAS, the Tennessee General Assembly enacted Public Chapter 1011 of the Tennessee Public Acts of 1998 which added another circumstance whereby a Group 2 member may retire on a service retirement allowance. Said circumstance is upon completion of thirty (30) years of creditable service regardless of age; and

WHEREAS, Public Chapter 1011 does not apply to Group 2 members employed by a political subdivision unless authorized by the subdivision's governing body.

NOW, THEREFORE, BE IT RESOLVED that the \_\_\_\_\_ of \_\_\_\_\_  
(Name of Governing Body) (Name of Political Subdivision)  
hereby authorizes all its employees who are Group 2 members of the Tennessee Consolidated Retirement System to be eligible for a service retirement allowance upon satisfying any three (3) of the circumstances set forth in Tenn. Code Ann. § 8-36-201(b)(1). Said circumstances are: attainment of sixty (60) years of age and completion of ten (10) years of creditable service, *or* upon attainment of fifty-five (55) years of age and completion of twenty-five (25) years of creditable service; *or* at any age upon completion of thirty (30) years of creditable service. The Governing Body of the above-named Political Subdivision hereby accepts all costs associated with the enactment of this resolution.

STATE OF TENNESSEE  
COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of \_\_\_\_\_  
(Name of Governing Body)  
\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

R054FS28

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

## Tennessee Consolidated Retirement System

## EXHIBIT XXIV

A RESOLUTION to establish a mandatory retirement age requirement of age sixty-two (62) or older pursuant to Tennessee Code Annotated, Section 8-36-205.

WHEREAS, Tennessee Code Annotated, Section 8-36-205 provides that any political subdivision participating in the Tennessee Consolidated Retirement System may establish a mandatory retirement age requirement for all its firefighters and police officers, and for all its employees who have been transferred from such a position to a supervisory or administrative position within the political subdivision's police or fire department; provided that:

(A) the mandatory retirement of any such employee does not violate the Age Discrimination in Employment Act. In case of doubt, the respective political subdivision shall determine whether the employee is employed in a position requiring the mandatory retirement of such employee under the provisions of Tennessee Code Annotated, Section 8-36-205(a)(2);

(B) the terms and conditions of the requirement shall be the same for all such employees within its employ;

(C) the mandatory age requirement *shall not be less than* sixty (60) years of age;

(D) each such employee shall be retired on the first day of the month following the month in which the employee attains the age requirement established by the political subdivision;

(E) if the mandatory age requirement established by the political subdivision is less than the age requirement for receipt of old age and survivors benefits under Title II of the Federal Social Security Act (42 U.S.C. §§ 401-425), each such employee shall be entitled to the supplemental bridge benefit established pursuant to Tennessee Code Annotated, Section 8-36-211; and

(F) the chief governing body of the political subdivision passes a resolution authorizing the establishment of the mandatory retirement age requirement, and if the mandatory age requirement established by the political subdivision is less than the age requirement for receipt of old age and survivors benefits under Title II of the Federal Social Security Act, the political subdivision accepts the liability associated with the granting of the supplemental bridge benefit. All costs associated with providing the supplemental benefit shall be paid by the political subdivision and not by the State; and

WHEREAS, the \_\_\_\_\_ of \_\_\_\_\_  
(Name of Governing Body) (Name of Political Subdivision)  
desires to establish a mandatory retirement age requirement of \_\_\_\_\_ years of age pursuant to Tennessee Code Annotated, Section 8-36-205; and

WHEREAS, the Governing Body of the above-named Political Subdivision acknowledges that the mandatory retirement age requirement adopted by this resolution is equal to or greater than the age requirement for receipt of old age and survivors benefits under Title II of the Federal Social Security Act, and that, as a result thereof, its employees shall not be entitled to the supplemental bridge benefit established pursuant to Tennessee Code Annotated, Section 8-36-211.

NOW, THEREFORE, BE IT RESOLVED that the Governing Body of the above-named Political Subdivision hereby establishes a mandatory retirement age requirement of \_\_\_\_ for all its firefighters and police officers, and for all its employees who have been transferred from such a position to a supervisory or administrative position within the political subdivision's police or fire department, subject to the terms and conditions of Tennessee Code Annotated, Section 8-36-205.

BE IT FURTHER RESOLVED, that the Governing Body of the above-named Political Subdivision acknowledges that since the mandatory retirement age requirement adopted by this resolution is equal to or greater than the age requirement for receipt of old age and survivors benefits under Title II of the Federal Social Security Act, its employees shall not be entitled to the supplemental bridge benefit established pursuant to Tennessee Code Annotated, Section 8-36-211.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_ members voted in favor of the resolution and that \_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

## Tennessee Consolidated Retirement System

## EXHIBIT XXV

A RESOLUTION to establish a mandatory retirement age requirement of age sixty (60) or age sixty-one (61) pursuant to Tennessee Code Annotated, Section 8-36-205 and to authorize the payment of the supplemental bridge benefit pursuant to Tennessee Code Annotated, Section 8-36-211.

WHEREAS, Tennessee Code Annotated, Section 8-36-205 provides that any political subdivision participating in the Tennessee Consolidated Retirement System may establish a mandatory retirement age requirement for all its firefighters and police officers, and for all its employees who have been transferred from such a position to a supervisory or administrative position within the political subdivision's police or fire department; provided that:

(A) the mandatory retirement of any such employee does not violate the Age Discrimination in Employment Act. In case of doubt, the respective political subdivision shall determine whether the employee is employed in a position requiring the mandatory retirement of such employee under the provisions of Tennessee Code Annotated, Section 8-36-205(a)(2);

(B) the terms and conditions of the requirement shall be the same for all such employees within its employ;

(C) the mandatory age requirement *shall not be less than* sixty (60) years of age;

(D) each such employee shall be retired on the first day of the month following the month in which the employee attains the age requirement established by the political subdivision;

(E) if the mandatory age requirement established by the political subdivision is less than the age requirement for receipt of old age and survivors benefits under Title II of the Federal Social Security Act (42 U.S.C. §§ 401-425), each such employee shall be entitled to the supplemental bridge benefit established pursuant to Tennessee Code Annotated, Section 8-36-211; and

(F) the chief governing body of the political subdivision passes a resolution authorizing the establishment of the mandatory retirement age requirement, and if the mandatory age requirement established by the political subdivision is less than the age requirement for receipt of old age and survivors benefits under Title II of the Federal Social Security Act, the political subdivision accepts the liability associated with the granting of the supplemental bridge benefit. All costs associated with providing the supplemental benefit shall be paid by the political subdivision and not by the State; and

WHEREAS, the \_\_\_\_\_ of \_\_\_\_\_  
(Name of Governing Body) (Name of Political Subdivision)  
desires to establish a mandatory retirement age requirement of age pursuant to Tennessee Code Annotated, Section 8-36-205 and further desires to grant the supplemental bridge benefit pursuant to Tennessee Code Annotated, Section 8-36-211; and

WHEREAS, the Governing Body of the above-named Political Subdivision acknowledges that the costs associated with the granting of the supplemental bridge benefit shall increase its accrued liability rate by \_\_\_\_\_% of the covered payroll of the affected employees; and

WHEREAS, the Governing Body of the above-named Political Subdivision further acknowledges that *if* the mandatory retirement age requirement established by the Political Subdivision is sixty (60) years of age or older, but less than sixty-two (62), the political subdivision shall determine whether any employee subject to such retirement age requirement serves in a supervisory or administrative position which requires less than fifty percent (50%) of the employee's duties to be involved in day-to-day law enforcement or fire fighting activities. If the Political Subdivision makes any such determination, then the employee may continue in service until the first day of the month following the month in which the employee attains sixty-two (62) years of age; provided such employee completes any form as may be required pursuant to Tennessee Code Annotated, Section 8-36-211 and files the same at the time and in the manner prescribed in Section 8-36-211.

NOW, THEREFORE, BE IT RESOLVED that the Governing Body of the above-named Political Subdivision hereby establishes a mandatory retirement age requirement of \_\_\_\_\_ for all its firefighters and police officers, and for all its employees who have been transferred from such a position to a supervisory or administrative position within the political subdivision's police or fire department, subject to the terms and conditions of Tennessee Code Annotated, Section 8-36-205.

BE IT FURTHER RESOLVED, that the Governing Body of the above-named Political Subdivision authorizes that the supplemental bridge benefit established pursuant to Tennessee Code Annotated, Section 8-36-211 be paid to each Group 1 member who retires on a service retirement allowance on or after the attainment of age sixty (60) with creditable service in a Group 1 position covered by the mandatory retirement age requirement established pursuant to this resolution and hereby agrees to accept the associated liability. Said payment to be made until the first day of the month following the month in which the member dies, or until the first day of the month following the month in which the member reaches the age requirement for receipt of old age and survivors benefits under Title II of the Federal Social Security Act.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the foregoing  
(County and Town or City)

resolution that was approved and adopted at a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Political Subdivision)

SEAL

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

**Tennessee Consolidated  
Retirement System**

A RESOLUTION to authorize the additional line-of-duty death benefits provided by Chapter 446 of the Tennessee Public Acts of 2001.

WHEREAS, prior to the passage of Chapter 446 of the Tennessee Public Acts of 2001, the law governing the Tennessee Consolidated Retirement System provided that if a Group 1 member dies in service as the natural and proximate result of an on-the-job accident, an annuity equal to one half (1/2) the member's average final compensation shall be paid to the member's surviving spouse or surviving minor child or children; provided, that either and no other person, persons or institution are named by the member in writing on file with the Retirement System; and

WHEREAS, the law further provided if the member's surviving spouse was named, this annuity would continue to such spouse until death. If the surviving spouse died, then this annuity was divided equally among the member's surviving minor children. Each child received such child's share until reaching majority status or death, whichever occurred first, at which time the annuity was redistributed equally among the remaining minor children and ended when the youngest child reached majority; and

WHEREAS, if a surviving minor child or children were named, then the annuity was divided equally among them. Each child received such child's share until reaching majority status or death, whichever occurs first, at which time the annuity was redistributed equally among the remaining minor children and ended when the youngest child reached majority; and

WHEREAS, the above line-of-duty death benefits were not available to the surviving spouse or minor children of the member if the member designated an individual or individuals other than, or in addition to, the member's surviving spouse or surviving child or children. Further, if the member designated an individual or individuals other than the member's surviving spouse or surviving child or children, no benefit was due as a result the member's line-of-duty death unless the member had an account balance or had reached the conditions for a service retirement benefit; and

WHEREAS, Chapter 446 of the Tennessee Public Acts of 2001 amended the above law to provide that:

(1) If the member designated his surviving minor child or children but did not designate his surviving spouse, then the annuity would continue to the member's surviving spouse after the last surviving child reaches majority status or death. The annuity would continue to the surviving spouse until the spouse's death.

(2) If the member designated an individual or individuals other than, or in addition to, the member's surviving spouse or surviving child or children thereby nullifying the line-of-duty death benefits, such individuals may disclaim the death benefit otherwise payable so that the line-of-duty death benefits can be paid to the member's surviving spouse and surviving minor children.

(3) If the individuals do not disclaim the death benefit as provided above, an annuity will nevertheless be paid the member's surviving spouse and surviving child or children. The annuity would be equal to the line-of-duty death benefit that would have otherwise been payable had the member designated the member's surviving spouse or surviving minor child or children as beneficiary, minus (i) the actuarial value of the benefits payable to the non-disclaiming

beneficiaries, or (ii) in the case of a lump sum payment, the amount of the lump payment made to the non-disclaiming beneficiaries. The annuity has a guaranteed minimum total value of \$50,000, minus the (i) actuarial value of the benefits payable to the non-disclaiming beneficiaries, or (ii) in the case of a lump sum payment, the amount of the lump sum payment made to the non-disclaiming beneficiaries. The guaranteed minimum value will be paid in monthly installments calculated on a sixty month basis and divided in the manner prescribed in Tennessee Code Annotated, Section 8-36-108(b)(5)(B) and (C).

(4) The aggregate total death benefits payable by the Retirement System on account of a member who dies in the line-of-duty shall not be less than \$50,000, regardless of whom the member designated as his/her beneficiary(ies).

(5) The amendments made by Chapter 446 of the Tennessee Public Acts of 2001 shall not apply to individuals who are members of the Retirement System by virtue of their employment with any employer participating in the Retirement System pursuant to Tennessee Code Annotated, Title 8, Chapter 35 unless the governing body of any such employer passes a resolution authorizing and accepting the associated liability and costs to provide the additional benefits provided by such amendments.

NOW, THEREFORE, BE IT RESOLVED that the, \_\_\_\_\_, of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee hereby authorizes the additional benefits provided by  
(Name of Employer)

Chapter 446 of the Tennessee Public Acts of 2001 for all its employees who are members of the Retirement System and accepts all costs associated therewith.

STATE OF TENNESSEE

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, clerk of the \_\_\_\_\_ of  
(Name of Governing Body)

\_\_\_\_\_, Tennessee do hereby certify that this is a true and exact copy of the  
(Name of Employer)

foregoing resolution that was approved and adopted at a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_, the original of which is on file in this office. I further certify that \_\_\_\_\_ members voted in favor of the  
resolution and that \_\_\_\_\_ members were present and voting.

IN WITNESS THEREOF, I have hereunto set my hand, and the seal of the \_\_\_\_\_.  
(Name of Employer)

\_\_\_\_\_  
As Clerk of the Board, as aforesaid

SEAL



## 1100 OPTIONAL RETIREMENT PLAN

- 1101 Joining the Optional Retirement Plan.** Professional employees who are exempt from the Fair Labor Standards Act employed in Tennessee institutions of higher education (colleges, universities and technical schools) have the option of membership in the TCRS or the optional retirement plan (ORP) which includes the following vendors: the Teachers Insurance Annuity Association and College Retirement Equity Fund (TIAA/CREF), Aetna Life Company, and Variable Annuity Life Insurance Company (VALIC). Employees of the twenty-six (26) area vocational schools are not eligible to join the ORP.

Unlike TCRS which is a defined benefit plan, the ORP is a defined contribution plan. In other words, the total amount of contributions and interest credited to each ORP member's account is used to provide benefits for the retiree's lifetime.

An eligible employee choosing to join TCRS should complete and sign the TCRS Membership Form (see Section 200, Exhibit I) and the Notice of Election to Participate in the ORP or the Tennessee Consolidated Retirement System (Exhibit I).

If he chooses ORP membership, he should complete and sign the Application for Contract with the ORP (Exhibit II), and the Notice of Election to Participate in the ORP or the Tennessee Consolidated Retirement System (Exhibit I). These forms should be promptly forwarded to the TCRS. The individual must also file an application with the ORP provider(s) he selects or no contributions will be accepted. The individual names his beneficiary and records his date of birth on the ORP provider application.

### 1102 Contributions to the ORP

- A. Employee Contributions. As of June 30, 1981 employee contributions to the ORP were discontinued as provided by noncontributory legislation.
- B. Employer Contributions. In lieu of the employee contributions, the employer makes contributions at the rate of ten percent (10%) of gross salary below the social security wage base and eleven percent (11%) above the social security wage base:

<u>Employer Contributions</u>	<u>S.S. Wage Base</u>
10% up to S.S. Wage Base	
11% over S.S. Wage Base	2005 = \$90,000

ORP members are coded retirement type "091" and are reported monthly to TCRS under a five digit reporting code which begins with a seven. See Exhibit III for a schedule of the higher education reporting (department) numbers.

- C. Reporting of Contributions by Higher Education to ORP.
- (1) Each institution will deposit with the ORP the appropriate employer contributions on the first working day of the month following the month that wages are actually paid. Also each institution will make the appropriate report directly to the ORP providers. The report is due within 10 working days of the deposit. If the report is not received by the ORP providers, SEC regulations will require that the funds be returned to the institution.
  - (2) Each institution will notify TCRS of the amount deposited to the ORP.

D. Recording of Employer Contributions. Each ORP provider credits the employer contributions to enrolled individuals on the date the funds are deposited with the ORP provider.

- 1103 Retirement Allowance.** When any ORP member retires with retirement credit in the TCRS, his retirement allowance should be computed and paid in accordance with the procedures described in Section 600 of this manual.

Employees who initially elect to participate in the ORP are limited to the benefits of the ORP upon and after retirement.

- 1104 Transferring from TCRS to ORP.** ORP membership is irrevocable as long as employment is continuous or if a transfer is made to another state institution where the ORP is available. A member of TCRS who is eligible to participate in the ORP may elect to transfer to the ORP by completing an Election to Transfer from TCRS to ORP. This form must be signed and forwarded to TCRS prior to any June 1, to be effective the following July 1 (Exhibit VIII). Any funds accumulated in TCRS may also be transferred to the ORP by using the TCRS form Election to Transfer Funds From TCRS to ORP (Exhibit IX). This form must be completed and forwarded to TCRS by June 1.

The amount of funds transferred to the ORP will be the funds in the member's TCRS account balance. No other funds, including employer funds, will be transferred. Those entering TCRS after July 1, 1981 will not have funds in an account to transfer.

- 1105 Transferring from ORP to TCRS.** Employees who participate in the ORP generally may not transfer membership to TCRS; however, beginning in 2005, ORP members with five years of service will have a one-time transfer option.

An employee participating in the ORP who changes employment but is still employed by an institution where ORP is available must continue participating in ORP unless there is a break in service. If there is a break in service, he may elect to either continue participating in ORP or begin participating in the TCRS.

A University of Tennessee employee covered under the provisions of the UT JCRS-A plan (Joint Contributory Retirement Systems Plan A) may elect to join TCRS or ORP when transferring employment to an institution in the State Board of Regents system. While employed in the State Board of Regents system the employee will not be covered under the provisions of the UT JCRS-A plan. An individual in this situation should contact the retirement system to discuss the option of joining TCRS or ORP. The UT JCRS-A plan was closed to new membership on July 1, 1977.

- 1106 Directing the Investment of the Account.** An ORP member may direct employer contributions made on his behalf to one or more of the companies designated to provide annuity contracts under the state's ORP. There are currently three companies under contract with the state to provide annuities for the program: ING (Aetna), TIAA-CREF, and AIG (VALIC). Once funds are on deposit with a designated company, the member may move those funds among the different investment options offered under that company's annuity contract, subject to the restrictions of the contract. Internal transfers may be authorized in writing or by telephone.

A member may also transfer funds previously accumulated in the ORP among the companies designated to provide annuity contracts in Tennessee's Optional Retirement Program, subject to the restrictions of the products involved. A member may request an inter-company transfer at any time during the month. After the member submits the necessary applications, the funds will be transferred by check and reports will be provided to the employer.

**1107 Additional Contributions.** Generally, employees may make voluntary contributions through the institutions' deferred compensation plans 403(b) and 401(k).

**1108 Educational Leave of Absence.** If an educational leave of absence has been approved for retirement purposes by the TCRS, then the employer will make contributions to the ORP as set out in Section 1102. The employer contributions will be made based on the employee's salary immediately prior to the leave.

The conditions which must be met for an educational leave of absence are set out in Section 406C. If an employee does not return to service with the employer after the educational leave of absence, then the institution should request a refund from the ORP providers of the employer contributions that were made during the leave. If TCRS remitted the funds, then TCRS will request the refund.

**1109 Annual Statement.** Each ORP provider forwards to its members a statement of their account. TCRS is not responsible for the issuance of these statements; any questions should be addressed to the ORP provider.

**1110 Additional Information.** Additional information is available on the Treasury internet site at [www.treasury.state.tn.us/orp/](http://www.treasury.state.tn.us/orp/). Company publications are available upon request. Following are the phone numbers for each ORP vendor:

ING	TIAA-CREF	AIG (VALIC)
800-727-4313	800-842-2003	800-448-2542

The following exhibits marked I through VI are examples of forms and charts pertaining to ORP membership. Failure to properly prepare these can cause delays, additional work and errors.

#### **EXHIBIT I**

Notice of Election to Participate in the Optional Retirement Program or the Tennessee Consolidated Retirement System

#### **EXHIBIT II**

Higher Education Department Codes

#### **EXHIBIT III**

ORP Worksheet

#### **EXHIBIT IV**

Election to Transfer Membership from TCRS to the ORP

#### **EXHIBIT V**

Election to Transfer Funds from TCRS to ORP

#### **EXHIBIT VI**

Verification of Eligibility for Exception to Lifetime Annuity Distribution Requirement



**NOTICE OF ELECTION TO PARTICIPATE IN  
THE OPTIONAL RETIREMENT PROGRAM OR  
THE TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

Tennessee Consolidated Retirement System  
10th Floor Andrew Jackson Building, Nashville, TN 37243



**I. TO BE COMPLETED BY EMPLOYEE AND WITNESSED BY A NOTARY** — Please print or type

1. Social Security No. \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_
2. Birthdate \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_      3. Department Code No. \_\_\_\_\_ . \_\_\_\_\_  
Month      Day      Year
4. Name \_\_\_\_\_  
Last      First      Middle      Maiden
5. Address \_\_\_\_\_  
Street or Rural Route      City      State      Zip Code
6. Sex : \_\_\_\_\_ Male \_\_\_\_\_ Female      7. Position \_\_\_\_\_
8. Employer \_\_\_\_\_  
Name of Technical School, College or University
9. Employment Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_      10. Date of First Contribution to ORP \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
Month      Day      Year      Month      Day      Year
11. Have you ever been a member of the Tennessee Consolidated Retirement System? \_\_\_\_\_
12. If yes, give the name of the Department in which you were employed \_\_\_\_\_
13. Have you ever made contributions to the ORP through a school or institution located in Tennessee? \_\_\_\_\_
14. If yes, give the name of the school or institution \_\_\_\_\_
15. Participation Election — Indicate choice by placing an "X" in the appropriate box
  - ☐ I hereby elect to participate in the **Optional Retirement Program** and, thereby, waive my right to participate in the Tennessee Consolidated Retirement System; **or**
  - ☐ I hereby elect to participate in the **Tennessee Consolidated Retirement System**, and thereby, waive my right, at this time, to participate in the Optional Retirement Program.

This election is made with the understanding that I must participate in either TCRS or the ORP under the following conditions:

  1. I cannot participate in both plans at the same time.
  2. Election to participate in the ORP is irrevocable as long as employment is continuous. If transferred to another state institution where the ORP is available, I must continue to participate in the ORP.
  3. Under current law, a member of TCRS who is eligible to participate in the ORP may elect to transfer prospective membership to the ORP upon complying with specified filing requirements. Employee contributions may be transferred, but employer funds will not be transferred.

I have read the foregoing instrument and have elected to join either the ORP or the Tennessee Consolidated Retirement System and execute a waiver of all prospective benefits in the plan for which I have elected not to join.

NOTARIZATION  
STATE OF TENNESSEE, COUNTY OF \_\_\_\_\_

\_\_\_\_\_  
Signature of Employee

Sworn and subscribed before me this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

SEAL

My Commission Expires \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
Month      Day      Year

**II. TO BE COMPLETED BY TECHNICAL SCHOOL, COLLEGE, OR UNIVERSITY**

This is to certify that \_\_\_\_\_ is classified as EXEMPT from the Fair Labor Standards Act and is NOT a student or temporary employee; therefore he or she has the option to participate in either the ORP or the TCRS in accordance with the provisions of Tennessee Code Annotated, Section 8-35-403. This individual is employed:    o Full Time      o Part Time

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Institution's Designated Certifying Official

\_\_\_\_\_  
Title

**Higher Education Department Codes**

<b><u>Department Code</u></b>	<b><u>Department Name</u></b>
70001	Northeast State Tech
70002	Pellissippi State Tech
70003	Memphis State Tech Institute
70004	Nashville State Tech Institute
70699	Cleveland State Community College
71699	Motlow State Community College
71799	Tennessee Foreign Language Institute
71979	Board of Regents
71999	Tennessee State University
72399	Dyersburg State Community College
73299	Walters State Community College
73399	Chattanooga State Community College
74791	University of Tennessee
75799	Jackson State Community College
76099	Columbia State Community College
76399	Austin Peay State University
77199	Tennessee Tech University
77399	Roane State Community College
77599	Middle Tennessee State University
77989	Shelby State Community College
77999	University of Memphis
78399	Volunteer State Community College
79099	East Tennessee State University

Tennessee Consolidated Retirement System  
 Contributions Section  
 P.O. Box 198766  
 Nashville, TN 37219-8766  
 Contributions Report Worksheet for \_\_\_\_\_

Department Code: \_\_\_\_\_  
 Dept. Name: \_\_\_\_\_  
 Payroll Officer Name: \_\_\_\_\_  
 Chief Fiscal Officer Name: \_\_\_\_\_

Note: Please include Social Security Numbers for all employees. For new employees added to your last retirement report; please check their social security numbers on this report to ensure that we have recorded them properly.  
 If you have any questions about your adjust-

Prepared By: \_\_\_\_\_  
 Approved By: \_\_\_\_\_  
 Title: \_\_\_\_\_

**Complete one worksheet for each department code reported. Indicate the total salary for the department.**

Calculation:	_____ X _____	Employer Contributions:	_____
	(Gross Salary) (Employer Rate)	Employee Contributions:	_____
Total Service:	_____ (This must be completed)	Total Contributions:	_____
Penalty: (5.5% first month, 5% each additional 30 days in the aggregate of 25%. A penalty will be assessed if this report is not in our office by the 10th of each month.		Adjustment (for TCRS use only)	_____
		Total amount remitted:	_____

Summary Information Sheet for Higher Education Institutions

	<u>Tennessee Consolidated Retirement System (TCRS)</u>	<u>Optional Retirement Plan (ORP)</u>	<u>Totals</u>
Restricted Funds			
Salary			
Contribution / Premium			
Unrestricted Funds			
Salary			
Contribution / Premium			
Totals			
Salary			
Contribution / Premium			
TCRS retirement type codes	(021, 024, 002, 095*)		
ORP retirement type codes	(091, 095*)		

\* UT and TSU will be the only schools with 095 code (UT JCRSA)  
\* Note that the 095 codes have both TCRS contributions and ORP premiums.





**ELECTION TO TRANSFER MEMBERSHIP FROM TCRS  
TO THE OPTIONAL RETIREMENT PROGRAM  
BY ELIGIBLE EMPLOYEES OF COLLEGES AND UNIVERSITIES  
OF THE STATE OF TENNESSEE**

Tennessee Consolidated Retirement System  
10th Floor Andrew Jackson Building, Nashville, TN 37243

EXHIBIT IV

**I. TO BE COMPLETED BY EMPLOYEE AND WITNESSED BY A NOTARY** — Please print or type

Name \_\_\_\_\_  
Last First Middle or Maiden

Social Security Number \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Date of Birth \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
Month Day Year

Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Employer \_\_\_\_\_  
Institution

I hereby elect to transfer my membership from the Tennessee Consolidated Retirement System to the Optional Retirement Program (ORP). This election is made with the understanding that I must participate in one of these retirement plans and that I cannot change this election at a future date. Any period of service for which contributions are made to the ORP will not be treated as creditable service in the Tennessee Consolidated Retirement System.

☐ I am attaching an ELECTION TO TRANSFER FUNDS FROM TCRS TO THE OPTIONAL RETIREMENT PROGRAM.

☐ I am NOT attaching an ELECTION TO TRANSFER FUNDS FROM TCRS TO THE OPTIONAL RETIREMENT PROGRAM; therefore, my unused accumulated sick leave is to be certified below.\*

Signature of Member

Date \_\_\_\_\_

## NOTARIZATION

STATE OF TENNESSEE, COUNTY OF \_\_\_\_\_

Sworn and subscribed before me this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

My Commission Expires.

Notary Public Signature

SEAL

## II. TO BE COMPLETED BY TECHNICAL SCHOOL, COLLEGE, OR UNIVERSITY

### A. Certification of Eligibility for ORP

This is to certify that \_\_\_\_\_ is classified as EXEMPT from the Fair Labor Standards Act and is NOT a student or temporary employee; therefore, this employee has the option to participate in either the ORP or the TCRS in accordance with the provisions of Tennessee Code Annotated, Section 8-35-403. This individual is employed:

☐ Full Time      ☐ Part Time

**B. Certification of Unused Sick Leave (to be completed only if employee is NOT transferring funds from TCRS)\***

Effective \_\_\_\_\_, this employee has the following unused accumulated sick leave:

Number of hours: \_\_\_\_\_ or number of days: \_\_\_\_\_

For teachers: How many sick days did this employee accumulate on an annual basis? ☐ 9 ☐ 10 ☐ 11 ☐ 12

### C. Signature of Institution's Designated Certifying Official

---

Date \_\_\_\_\_

Signature of Designated Certifying Official

---

Title



# ELECTION TO TRANSFER FUNDS FROM TCRS TO THE OPTIONAL RETIREMENT PROGRAM

EXHIBIT V

BY ELIGIBLE EMPLOYEES OF COLLEGES AND UNIVERSITIES  
OF THE STATE OF TENNESSEE

Tennessee Consolidated Retirement System  
10th Floor Andrew Jackson Building, Nashville, TN 37243

## MEMBER INFORMATION

Name \_\_\_\_\_  
Last First Middle or Maiden

Social Security Number \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
Month Day Year

Street \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Employer \_\_\_\_\_ Work Phone ( ) \_\_\_\_\_  
Institution

## ALLOCATION INSTRUCTIONS

Funds transferred to the Optional Retirement Program under this election are to be distributed as follows:

ING-Aetna Life Insurance and Annuity Company	_____	%
TIAA-CREF	_____	%
Variable Annuity Life Insurance Company (VALIC)	_____	%
Total	100	%

**CERTIFICATION** — To be signed by member and witnessed by a notary public

I have completed an ELECTION TO TRANSFER MEMBERSHIP FROM TCRS TO THE OPTIONAL RETIREMENT PROGRAM and hereby also make application for the transfer of my accumulated contributions on deposit with the Tennessee Consolidated Retirement System to the Optional Retirement Program as authorized by Tennessee Code Annotated, Section 8-35-409.

I understand that this transfer is considered a total withdrawal of accumulated contributions and service credit and shall terminate my membership in the Tennessee Consolidated Retirement System in accordance with the provisions of Tennessee Code Annotated, Section 8-35-104. I further understand that this action constitutes a waiver of all rights in the retirement system and that contributions so transferred may not be redeposited with the Tennessee Consolidated Retirement System.

I am aware that *if I have attained vested rights in TCRS and DO NOT transfer my contributions*, I will be entitled to elect to receive a monthly benefit from TCRS at retirement age based on my service and salary through the date of my transfer of membership to the Optional Retirement Program. By transferring my contributions, I am forfeiting all rights to such benefit.

I take this action with full knowledge and understanding of the foregoing and certify that this election is being made at least thirty (30) days prior to the effective date.

\_\_\_\_\_  
Signature of Member

\_\_\_\_\_  
Date

STATE OF TENNESSEE, COUNTY OF \_\_\_\_\_

Personally appeared before me on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ the within named \_\_\_\_\_, and makes oath that (he) (she) executed the foregoing instrument.

\_\_\_\_\_  
Notary Public Signature

SEAL

My Commission Expires \_\_\_\_\_



**State of Tennessee Optional Retirement Program**

**Verification of Eligibility for  
Exception to Lifetime Distribution Requirement**



**For Terminated Participants With Less Than \$11,000 in the Program  
Calendar Year 2007**

**Instructions** — If you have totally and permanently separated from service with The State of Tennessee and have less than \$11,000 in the Tennessee Optional Retirement Program, you qualify for an exception to the program's lifetime distribution requirement. You may withdraw funds from the program in any manner permitted by the company or companies you use. To do so, you must attach a completed copy of this form to each benefit application you submit to ING, TIAA-CREF, and/or AIG-VALIC. Complete Part I yourself, then have your last employer complete Part II. If you were employed by the Tennessee Board of Regents, you must furnish your last employer with copies of your most recent quarterly statements from all of the companies you have used in Tennessee's Optional Retirement Program.

**Part I — To Be Completed by Participant**

I have separated from service with the State of Tennessee. I have received my final paycheck and do not expect to be reemployed with an institution covered by Tennessee's Optional Retirement Program in the upcoming school year. The total I have accumulated with ING, TIAA-CREF, and AIG-VALIC in Tennessee's Optional Retirement Program does not exceed \$11,000.

Participant's Name

Participant's Social Security Number

Participant's Signature

Date

**Part II — To Be Completed by UT Retirement Office or Payroll Officer of TBR Institution**

☐ This participant was employed by the University of Tennessee. Our records indicate that this participant has an aggregate total balance of \$\_\_\_\_\_ \* in his Tennessee Optional Retirement Program accounts with ING, TIAA-CREF, and AIG-VALIC; OR

☐ This participant was employed by the Tennessee Board of Regents. Our institution's contribution records and the participant's current quarterly statements indicate the following:

	Total ORP Contributions	Account Balance
ING	\$_____	\$_____
TIAA-CREF	\$_____	\$_____
AIG-VALIC	\$_____	\$_____
TOTAL	\$_____ *	\$_____ *

Date Participant's Final Paycheck Was Issued

Today's Date

Signature

Name

Title

Institution

\* Do not complete this form if amount exceeds \$11,000.